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Papers Relating to the
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of the
United States
1927

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MESSAGE OF THE PRESIDENT OF THE UNITED STATES TO CONGRESS, DECEMBER 6, 1927

MEMBERS OF THE CONGRESS: It is gratifying to report that for the fourth consecutive year the state of the Union in general is good. We are at peace. The country as a whole has had a prosperity never exceeded. Wages are at their highest range, employment is plentiful. Some parts of agriculture and industry have lagged; some localities have suffered from storm and flood. But such losses have been absorbed without serious detriment to our great economic structure. Stocks of goods are moderate and a wholesome caution is prevalent. Rates of interest for industry, agriculture, and government have been reduced. Savers and investors are providing capital for new construction in industry and public works. The purchasing power of agriculture has increased. If the people maintain that confidence which they are entitled to have in themselves, in each other, and in America, a comfortable prosperity will continue.

CONSTRUCTIVE ECONOMY

Without constructive economy in Government expenditures we should not now be enjoying these results or these prospects. Because we are not now physically at war, some people are disposed to forget that our war debt still remains. The Nation must make financial sacrifices, accompanied by a stern self-denial in public expenditures, until we have conquered the disabilities of our public finance. While our obligation to veterans and dependents is large and continuing, the heavier burden of the national debt is being steadily eliminated. At the end of this fiscal year it will be reduced from about \$26,600,000,000 to about \$17,975,000,000. Annual interest, including war savings, will have been reduced from \$1,055,000,000 to \$670,000,000. The sacrifices of the people, the economy of the Government, are showing remarkable results. They should be continued for the purpose of relieving the Nation of the burden of interest and debt and releasing revenue for internal improvements and national development.

Not only the amount, but the rate, of Government interest has been reduced. Callable bonds have been refunded and paid, so that during this year the average rate of interest on the present public debt for the first time fell below 4 percent. Keeping the credit of the Nation high is a tremendously profitable operation.

TAX REDUCTION

The immediate fruit of economy and the retirement of the public debt is tax reduction. The annual saving in interest between 1925 and 1929 is \$212,000,000. Without this no bill to relieve the taxpayers would be worth proposing. The three measures already enacted leave our Government revenues where they are not oppressive. Exemptions have been increased until 115,000,000 people make but 2,500,000 individual taxable returns, so that further reduction should be mainly for the purpose of removing inequalities. The Secretary of the Treasury has recommended a measure which would give us a much better balanced system of taxation and without oppression produce sufficient revenue. It has my complete support.

Unforeseen contingencies requiring money are always arising. Our probable surplus for June 30, 1929, is small. A slight depression in business would greatly reduce our revenue because of our present method of taxation. The people ought to take no selfish attitude of pressing for removing moderate and fair taxes which might produce a deficit. We must keep our budget balanced for each year. That is the corner stone of our national credit, the trifling price we pay to command the lowest rate of interest of any great power in the world. Any surplus can be applied to debt reduction, and debt reduction is tax reduction. Under the present circumstances it would be far better to leave the rates as they are than to enact a bill carrying the peril of a deficit. This is not a problem to be approached in a narrow or partisan spirit. All of those who participate in finding a reasonable solution will be entitled to participate in any credit that accrues from it without regard to party. The Congress has already demonstrated that tax legislation can be removed from purely political consideration into the realm of patriotic business principles.

Any bill for tax reduction should be written by those who are responsible for raising, managing, and expending the finances of the Government. If special interests, too often selfish, always uninformed of the national needs as a whole, with hired agents using their proposed beneficiaries as engines of propaganda, are permitted to influence the withdrawal of their property from taxation, we shall have a law that is unbalanced and unjust, bad for business, bad for the country, probably resulting in a deficit, with disastrous financial consequences. The Constitution has given the Members of the Congress sole authority to decide what tax measures shall be presented for approval. While welcoming information from any quarter, the Congress should continue to exercise its own judgment in a matter so vital and important to all the interests of the country as taxation.

NATIONAL DEFENSE

Being a nation relying not on force, but on fair dealing and good will, to maintain peace with others, we have provided a moderate military force in a form adapted solely to defense. It should be continued with a very generous supply of officers and with the present base of personnel, subject to fluctuations which may be temporarily desirable.

The five-year program for our air forces is in keeping with this same policy and commensurate with the notable contributions of America to the science of aeronautics. The provisions of the law lately enacted are being executed as fast as the practical difficulties of an orderly and stable development permit.

While our Army is small, prudence requires that it should be kept in a high state of efficiency and provided with such supplies as would permit of its immediate expansion. The garrison ration has lately been increased. Recommendations for an appropriation of \$6,166,000 for new housing made to the previous Congress failed to pass. While most of the Army is well housed, some of it which is quartered in war-time training camps is becoming poorly housed. In the past three years \$12,533,000 have been appropriated for reconstruction and repairs, and an authorization has been approved of \$22,301,000 for new housing, under which \$8,070,000 has already been appropriated. A law has also been passed, complying with the request of the War Department, allocating funds received from the sale of buildings and land for housing purposes. The work, however, is not completed, so that other appropriations are being recommended.

Our Navy is likewise a weapon of defense. We have a foreign commerce and ocean lines of trade unsurpassed by any other country. We have outlying territory in the two great oceans and long stretches of seacoast studded with the richest cities in the world. We are responsible for the protection of a large population and the greatest treasure ever bestowed upon any people. We are charged with an international duty of defending the Panama Canal. To meet these responsibilities we need a very substantial sea armament. It needs aircraft development, which is being provided under the five-year program. It needs submarines as soon as the department decides upon the best type of construction. It needs airplane carriers and a material addition to its force of cruisers. We can plan for the future and begin a moderate building program.

This country has put away the Old World policy of competitive armaments. It can never be relieved of the responsibility of adequate national defense. We have one treaty secured by an unprecedented attitude of generosity on our part for a limitation in naval

armament. After most careful preparation, extending over months, we recently made every effort to secure a three-power treaty to the same end. We were granted much cooperation by Japan, but we were unable to come to an agreement with Great Britain. While the results of the conference were of considerable value, they were mostly of a negative character. We know now that no agreement can be reached which will be inconsistent with a considerable building program on our part. We are ready and willing to continue the preparatory investigations on the general subject of limitation of armaments which have been started under the auspices of the League of Nations.

We have a considerable cruiser tonnage, but a part of it is obsolete. Everyone knew that had a three-power agreement been reached it would have left us with the necessity of continuing our building program. The failure to agree should not cause us to build either more or less than we otherwise should. Any future treaty of limitation will call on us for more ships. We should enter on no competition. We should refrain from no needful program. It should be made clear to all the world that lacking a definite agreement, the attitude of any other country is not to be permitted to alter our own policy. It should especially be demonstrated that propaganda will not cause us to change our course. Where there is no treaty limitation, the size of the Navy which America is to have will be solely for America to determine. No outside influence should enlarge it or diminish it. But it should be known to all that our military power holds no threat of aggrandizement. It is a guaranty of peace and security at home, and when it goes abroad it is an instrument for the protection of the legal rights of our citizens under international law, a refuge in time of disorder, and always the servant of world peace. Wherever our flag goes the rights of humanity increase.

MERCHANT MARINE

The United States Government fleet is transporting a large amount of freight and reducing its drain on the Treasury. The Shipping Board is constantly under pressure, to which it too often yields, to protect private interests, rather than serve the public welfare. More attention should be given to merchant ships as an auxiliary of the Navy. The possibility of including their masters and crews in the Naval Reserve, with some reasonable compensation, should be thoroughly explored as a method of encouraging private operation of shipping. Public operation is not a success. No investigation, of which I have caused several to be made, has failed to report that it could not succeed or to recommend speedy transfer to private ownership. Our exporters and importers are both indifferent about using

American ships. It should be our policy to keep our present vessels in repair and dispose of them as rapidly as possible, rather than undertake any new construction. Their operation is a burden on the National Treasury, for which we are not receiving sufficient benefits.

COMMERCIAL AVIATION

A rapid growth is taking place in aeronautics. The Department of Commerce has charge of the inspection and licensing system and the construction of national airways. Almost 8,000 miles are already completed and about 4,000 miles more contemplated. Nearly 4,400 miles are now equipped and over 3,000 miles more will have lighting and emergency landing fields by next July. Air mail contracts are expected to cover 24 of these lines. Daily airway flying is nearly 15,000 miles and is expected to reach 25,000 miles early next year.

Flights for other purposes exceed 22,000 miles each day. Over 900 airports, completed and uncompleted, have been laid out. The demand for aircraft has greatly increased. The policy already adopted by the Congress is producing the sound development of this coming industry.

WESTERN HEMISPHERE AIR MAIL

Private enterprise is showing much interest in opening up aviation service to Mexico and Central and South America. We are particularly solicitous to have the United States take a leading part in this development. It is understood that the governments of our sister countries would be willing to cooperate. Their physical features, the undeveloped state of their transportation, make an air service especially adaptable to their usage. The Post Office Department should be granted power to make liberal long-term contracts for carrying our mail, and authority should be given to the Army and the Navy to detail aviators and planes to cooperate with private enterprise in establishing such mail service with the consent of the countries concerned. A committee of the Cabinet will later present a report on this subject.

GOOD ROADS

The importance and benefit of good roads is more and more coming to be appreciated. The National Government has been making liberal contributions to encourage their construction. The results and benefits have been very gratifying. National participation, however, should be confined to trunk-line systems. The national tax on automobiles is now nearly sufficient to meet this outlay. This tax is very small, and on low-priced cars is not more than \$2 or \$3 each year.

While the advantage of having good roads is very large, the desire for improved highways is not limited to our own country. It should

and does include all the Western Hemisphere. The principal points in Canada are already accessible. We ought to lend our encouragement in any way we can for more good roads to all the principal points in this hemisphere south of the Rio Grande. It has been our practice to supply these countries with military and naval advisers, when they have requested it, to assist them in national defense. The arts of peace are even more important to them and to us. Authority should be given by law to provide them at their request with engineering advisers for the construction of roads and bridges. In some of these countries already wonderful progress is being made in road building, but the engineering features are often very exacting and the financing difficult. Private interests should look with favor on all reasonable loans sought by these countries to open such main lines of travel.

This general subject has been promoted by the Pan American Congress of Highways, which will convene again at Rio de Janeiro in July, 1928. It is desirable that the Congress should provide for the appointment of delegates to represent the Government of the United States.

CUBAN PARCEL POST

We have a temporary parcel-post convention with Cuba. The advantage of it is all on our side. During 1926 we shipped twelve times as many parcels, weighing twenty-four times as much, as we received. This convention was made on the understanding that we would repeal an old law prohibiting the importation of cigars and cigarettes in quantities less than 3,000 enacted in 1866 to discourage smuggling, for which it has long been unnecessary. This law unjustly discriminates against an important industry of Cuba. Its repeal has been recommended by the Treasury and Post Office Departments. Unless this is done our merchants and railroads will find themselves deprived of this large parcel-post business after the 1st of next March, the date of the expiration of the convention, which has been extended upon the specific understanding that it would expire at that time unless this legislation was enacted. We purchase large quantities of tobacco made in Cuba. It is not probable that our purchases would be any larger if this law was repealed, while it would be an advantage to many other industries in the United States.

INSULAR POSSESSIONS

Conditions in the Philippine Islands have been steadily improved. Contentment and good order prevail. Roads, irrigation works, harbor improvements, and public buildings are being constructed. Public education and sanitation have been advanced. The Govern-

ment is in a sound financial condition. These immediate results were especially due to the administration of Gov. Gen. Leonard Wood. The six years of his governorship marked a distinct improvement in the islands and rank as one of the outstanding accomplishments of this distinguished man. His death is a loss to the Nation and the islands.

Greater progress could be made, more efficiency could be put into administration, if the Congress would undertake to expend, through its appropriating power, all or a part of the customs revenues which are now turned over to the Philippine treasury. The powers of the auditor of the islands also need revision and clarification. The government of the islands is about 98 per cent in the hands of the Filipinos. An extension of the policy of self-government will be hastened by the demonstration on their part of their desire and their ability to carry out cordially and efficiently the provisions of the organic law enacted by the Congress for the government of the islands. It would be well for a committee of the Congress to visit the islands every two years.

A fair degree of progress is being made in Porto Rico. Its agricultural products are increasing; its treasury position, which has given much concern, shows improvement. I am advised by the governor that educational facilities are still lacking. Roads are being constructed, which he represents are the first requisite for building schoolhouses. The loyalty of the island to the United States is exceedingly gratifying. A memorial will be presented to you requesting authority to have the governor elected by the people of Porto Rico. This was never done in the case of our own Territories. It is admitted that education outside of the towns is as yet very deficient. Until it has progressed further the efficiency of the government and the happiness of the people may need the guiding hand of an appointed governor. As it is not contemplated that any change should be made immediately, the general subject may well have the thoughtful study of the Congress.

PANAMA CANAL

The number of commercial ships passing through the Panama Canal has increased from 3,967 in 1923 to 5,475 in 1927. The total amount of tolls turned into the Treasury is over \$166,000,000, while all the operations of the canal have yielded a surplus of about \$80,000,000. In order to provide additional storage of water and give some control over the floods of the Chagres River, it is proposed to erect a dam to cost about \$12,000,000 at Alhajuela. It will take some five years to complete this work.

AGRICULTURE

The past year has seen a marked improvement in the general condition of agriculture. Production is better balanced and without acute shortage or heavy surplus. Costs have been reduced and the average output of the worker increased. The level of farm prices has risen, while others have fallen, so that the purchasing power of the farmer is approaching a normal figure. The individual farmer is entitled to great credit for the progress made since 1921. He has adjusted his production and through cooperative organizations and other methods improved his marketing. He is using authenticated facts and employing sound methods which other industries are obliged to use to secure stability and prosperity. The old-fashioned haphazard system is being abandoned, economics are being applied to ascertain the best adapted unit of land, diversification is being promoted, and scientific methods are being used in production, and business principles in marketing.

Agriculture has not fully recovered from postwar depression. The fact is that economic progress never marches forward in a straight line. It goes in waves. One part goes ahead, while another halts and another recedes. Everybody wishes agriculture to prosper. Any sound and workable proposal to help the farmer will have the earnest support of the Government. Their interests are not all identical. Legislation should assist as many producers in as many regions as possible. It should be the aim to assist the farmer to work out his own salvation socially and economically. No plan will be of any permanent value to him which does not leave him standing on his own foundation.

In the past the Government has spent vast sums to bring land under cultivation. It is apparent that this has reached temporarily the saturation point. We have had a surplus of production and a poor market for land, which has only lately shown signs of improvement. The main problem which is presented for solution is one of dealing with a surplus of production. It is useless to propose a temporary expedient. What is needed is permanency and stability. Government price fixing is known to be unsound and bound to result in disaster. A Government subsidy would work out in the same way. It can not be sound for all of the people to hire some of the people to produce a crop which neither the producers nor the rest of the people want.

Price fixing and subsidy will both increase the surplus, instead of diminishing it. Putting the Government directly into business is merely a combination of subsidy and price fixing aggravated by political pressure. These expedients would lead logically to telling the farmer by law what and how much he should plant and where he

should plant it, and what and how much he should sell and where he should sell it. The most effective means of dealing with surplus crops is to reduce the surplus acreage. While this can not be done by the individual farmer, it can be done through the organizations already in existence, through the information published by the Department of Agriculture, and especially through banks and others who supply credit refusing to finance an acreage manifestly too large.

It is impossible to provide by law for an assured success and prosperity for all those who engage in farming. If acreage becomes overextended, the Government can not assume responsibility for it. The Government can, however, assist cooperative associations and other organizations in orderly marketing and handling a surplus clearly due to weather and seasonal conditions, in order to save the producer from preventable loss. While it is probably impossible to secure this result at a single step, and much will have to be worked out by trial and rejection, a beginning could be made by setting up a Federal board or commission of able and experienced men in marketing, granting equal advantages under this board to the various agricultural commodities and sections of the country, giving encouragement to the cooperative movement in agriculture, and providing a revolving loan fund at a moderate rate of interest for the necessary financing. Such legislation would lay the foundation for a permanent solution of the surplus problem.

This is not a proposal to lend more money to the farmer, who is already fairly well financed, but to lend money temporarily to experimental marketing associations which will no doubt ultimately be financed by the regularly established banks, as were the temporary operations of the War Finance Corporation. Cooperative marketing especially would be provided with means of buying or building physical properties.

The National Government has almost entirely relieved the farmer from income taxes by successive tax reductions, but State and local taxes have increased, putting on him a grievous burden. A policy of rigid economy should be applied to State and local expenditures. This is clearly within the legislative domain of the States. The Federal Government has also improved our banking structure and system of agricultural credits. The farmer will be greatly benefited by similar action in many States. The Department of Agriculture is undergoing changes in organization in order more completely to separate the research and regulatory divisions, that each may be better administered. More emphasis is being placed on the research program, not only by enlarging the appropriations for State experiment stations but by providing funds for expanding the research work of the department. It is in this direction that much future progress can be expected.

THE PROTECTIVE TARIFF

The present tariff rates supply the National Treasury with well over \$600,000,000 of annual revenue. Yet, about 65 per cent of our imports come in duty free. Of the remaining 35 per cent of imports on which duties are laid about 23 per cent consists of luxuries and agricultural products, and the balance of about 12 per cent, amounting to around \$560,000,000, is made up of manufactures and merchandise. As no one is advocating any material reduction in the rates on agriculture or luxuries, it is only the comparatively small amount of about \$560,000,000 of other imports that are really considered in any discussion of reducing tariff rates. While this amount, duty free, would be large enough seriously to depress many lines of business in our own country, it is of small importance when spread over the rest of the world.

It is often stated that a reduction of tariff rates on industry would benefit agriculture. It would be interesting to know to what commodities it is thought this could be applied. Everything the farmer uses in farming is already on the free list. Nearly everything he sells is protected. It would seem to be obvious that it is better for the country to have the farmer raise food to supply the domestic manufacturer than the foreign manufacturer. In one case our country would have only the farmer; in the other it would have the farmer and the manufacturer. Assuming that Europe would have more money if it sold us larger amounts of merchandise, it is not certain it would consume more food, or, if it did, that its purchases would be made in this country. Undoubtedly it would resort to the cheapest market, which is by no means ours. The largest and best and most profitable market for the farmer in the world is our own domestic market. Any great increase in manufactured imports means the closing of our own plants. Nothing could be worse for agriculture.

Probably no one expects a material reduction in the rates on manufactures while maintaining the rates on agriculture. A material reduction in either would be disastrous to the farmer. It would mean a general shrinkage of values, a deflation of prices, a reduction of wages, a general depression carrying our people down to the low standard of living in our competing countries. It is obvious that this would not improve but destroy our market for imports, which is best served by maintaining our present high purchasing power under which in the past five years imports have increased 63 per cent.

FARM LOAN SYSTEM

It is exceedingly important that the Federal land and joint-stock land banks should furnish the best possible service for agriculture. Certain joint-stock banks have fallen into improper and unsound

practices, resulting in the indictment of the officials of three of them. More money has been provided for examinations, and at the instance of the Treasury rules and regulations of the Federal Farm Board have been revised. Early last May three of its members resigned. Their places were filled with men connected with the War Finance Corporation, Eugene Meyer being designated as Farm Loan Commissioner. The new members have demonstrated their ability in the field of agricultural finance in the extensive operations of the War Finance Corporation. Three joint-stock banks have gone into receivership. It is necessary to preserve the public confidence in this system in order to find a market for their bonds. A recent flotation was made at a record low rate of 4 percent. Careful supervision is absolutely necessary to protect the investor and enable these banks to exercise their chief function in serving agriculture.

MUSCLE SHOALS

The last year has seen considerable changes in the problem of Muscle Shoals. Development of other methods show that nitrates can probably be produced at less cost than by the use of hydroelectric power. Extensive investigation made by the Department of War indicates that the nitrate plants on this project are of little value for national defense and can probably be disposed of within two years. The oxidation part of the plants, however, should be retained indefinitely. This leaves this project mostly concerned with power. It should, nevertheless, continue to be dedicated to agriculture. It is probable that this desire can be best served by disposing of the plant and applying the revenues received from it to research for methods of more economical production of concentrated fertilizer and to demonstrations and other methods of stimulating its use on the farm. But in disposing of the property preference should be given to proposals to use all or part of it for nitrate production and fertilizer manufacturing.

FLOOD CONTROL

For many years the Federal Government has been building a system of dikes along the Mississippi River for protection against high water. During the past season the lower States were overcome by a most disastrous flood. Many thousands of square miles were inundated, a great many lives were lost, much livestock was drowned, and a very heavy destruction of property was inflicted upon the inhabitants. The American Red Cross at once went to the relief of the stricken communities. Appeals for contributions have brought in over \$17,000,000. The Federal Government has provided services, equipment, and supplies probably amounting to about \$7,000,000 more.

Between \$5,000,000 and \$10,000,000 in addition have been provided by local railroads, the States, and their political units. Credits have been arranged by the Farm Loan Board, and three emergency finance corporations with a total capital of \$3,000,000 have insured additional resources to the extent of \$12,000,000. Through these means the 700,000 people in the flooded areas have been adequately supported. Provision has been made to care for those in need until after the 1st of January.

The Engineer Corps of the Army has contracted to close all breaks in the dike system before the next season of high water. A most thorough and elaborate survey of the whole situation has been made and embodied in a report with recommendations for future flood control, which will be presented to the Congress. The carrying out of their plans will necessarily extend over a series of years. They will call for a raising and strengthening of the dike system with provision for emergency spillways and improvements for the benefit of navigation.

Under the present law the land adjacent to the dikes has paid one-third of the cost of their construction. This has been a most extraordinary concession from the plan adopted in relation to irrigation, where the general rule has been that the land benefited should bear the entire expense. It is true, of course, that the troublesome waters do not originate on the land to be reclaimed, but it is also true that such waters have a right of way through that section of the country and the land there is charged with that easement. It is the land of this region that is to be benefited. To say that it is unable to bear any expense of reclamation is the same thing as saying that it is not worth reclaiming. Because of expenses incurred and charges already held against this land, it seems probable that some revision will have to be made concerning the proportion of cost which it should bear. But it is extremely important that it should pay enough so that those requesting improvements will be charged with some responsibility for their cost, and the neighborhood where works are constructed have a pecuniary interest in preventing waste and extravagance and securing a wise and economical expenditure of public funds.

It is necessary to look upon this emergency as a national disaster. It has been so treated from its inception. Our whole people have provided with great generosity for its relief. Most of the departments of the Federal Government have been engaged in the same effort. The governments of the afflicted areas, both State and municipal, can not be given too high praise for the courageous and helpful way in which they have come to the rescue of the people. If the sources directly chargeable can not meet the demand, the National Government should not fail to provide generous relief. This, however, does not mean restoration. The Government is not an insurer of its citi-

zens against the hazard of the elements. We shall always have flood and drought, heat and cold, earthquake and wind, lightning and tidal wave, which are all too constant in their afflictions. The Government does not undertake to reimburse its citizens for loss and damage incurred under such circumstances. It is chargeable, however, with the rebuilding of public works and the humanitarian duty of relieving its citizens from distress.

The people in the flooded area and their representatives have approached this problem in the most generous and broad-minded way. They should be met with a like spirit on the part of the National Government. This is all one country. The public needs of each part must be provided for by the public at large. No required relief should be refused. An adequate plan should be adopted to prevent a recurrence of this disaster in order that the people may restore to productivity and comfort their fields and their towns.

Legislation by this Congress should be confined to our principal and most pressing problem, the lower Mississippi, considering tributaries only so far as they materially affect the main flood problem. A definite Federal program relating to our waterways was proposed when the last Congress authorized a comprehensive survey of all the important streams of the country in order to provide for their improvement, including flood control, navigation, power, and irrigation. Other legislation should wait pending a report on this survey. The recognized needs of the Mississippi should not be made a vehicle for carrying other projects. All proposals for development should stand on their own merits. Any other method would result in ill-advised conclusions, great waste of money, and instead of promoting would delay the orderly and certain utilization of our water resources.

Very recently several of the New England States have suffered somewhat similarly from heavy rainfall and high water. No reliable estimate of damage has yet been computed, but it is very large to private and public property. The Red Cross is generously undertaking what is needed for immediate relief, repair and reconstruction of houses, restocking of domestic animals, and food, clothing, and shelter. A considerable sum of money will be available through the regular channels in the Department of Agriculture for reconstruction of highways. It may be necessary to grant special aid for this purpose. Complete reports of what is required will undoubtedly be available early in the session.

INLAND NAVIGATION

The Congress in its last session authorized the general improvements necessary to provide the Mississippi waterway system with

better transportation. Stabilization of the levels of the Great Lakes and their opening to the sea by an effective shipway remain to be considered. Since the last session the Board of Engineers of the War Department has made a report on the proposal for a canal through the State of New York, and the Joint Board of Engineers, representing Canada and the United States, has finished a report on the St. Lawrence River. Both of these boards conclude that the St. Lawrence project is cheaper, affords a more expeditious method of placing western products in European markets, and will cost less to operate. The State Department has requested the Canadian Government to negotiate treaties necessary to provide for this improvement. It will also be necessary to secure an agreement with Canada to put in works necessary to prevent fluctuation in the levels of the Great Lakes.

Legislation is desirable for the construction of a dam at Boulder Canyon on the Colorado River, primarily as a method of flood control and irrigation. A secondary result would be a considerable power development and a source of domestic water supply for southern California. Flood control is clearly a national problem, and water supply is a Government problem, but every other possibility should be exhausted before the Federal Government becomes engaged in the power business. The States which are interested ought to reach mutual agreement. This project is in reality their work. If they wish the Federal Government to undertake it, they should not hesitate to make the necessary concessions to each other. This subject is fully discussed in the annual report of the Secretary of the Interior. The Columbia River Basin project is being studied and will be one to be considered at some future time.

The Inland Waterways Corporation is proving successful and especially beneficial to agriculture. A survey is being made to determine its future needs. It has never been contemplated that if inland rivers were opened to navigation it would then be necessary for the Federal Government to provide the navigation. Such a request is very nearly the equivalent of a declaration that their navigation is not profitable, that the commodities which they are to carry can be taken at a cheaper rate by some other method, in which case the hundreds of millions of dollars proposed to be expended for opening rivers to navigation would be not only wasted, but would entail further constant expenditures to carry the commodities of private persons for less than cost.

The policy is well established that the Government should open public highways on land and on water, but for use of the public in their private capacity. It has put on some demonstration barge lines, but always with the expectation that if they prove profitable they would pass into private hands and if they do not prove profitable

they will be withdrawn. The problems of transportation over inland waterways should be taken up by private enterprise, so that the public will have the advantage of competition in service. It is expected that some of our lines can be sold, some more demonstration work done, and that with the completion of the Ohio project a policy of private operation can be fully developed.

PROHIBITION

After more than two generations of constant debate, our country adopted a system of national prohibition under all the solemnities involved in an amendment to the Federal Constitution. In obedience to this mandate the Congress and the States, with one or two notable exceptions, have passed required laws for its administration and enforcement. This imposes upon the citizenship of the country, and especially on all public officers, not only the duty to enforce, but the obligation to observe the sanctions of this constitutional provision and its resulting laws. If this condition could be secured, all question concerning prohibition would cease. The Federal Government is making every effort to accomplish these results through careful organization, large appropriations, and administrative effort. Smuggling has been greatly cut down, the larger sources of supply for illegal sale have been checked, and by means of injunction and criminal prosecution the process of enforcement is being applied. The same vigilance on the part of local governments would render these efforts much more successful. The Federal authorities propose to discharge their obligation for enforcement to the full extent of their ability.

THE NEGRO

History does not anywhere record so much progress made in the same length of time as that which has been accomplished by the Negro race in the United States since the Emancipation Proclamation. They have come up from slavery to be prominent in education, the professions, art, science, agriculture, banking, and commerce. It is estimated that 50,000 of them are on the Government pay rolls, drawing about \$50,000,000 each year. They have been the recipients of presidential appointments and their professional ability has arisen to a sufficiently high plane so that they have been intrusted with the entire management and control of the great veterans' hospital at Tuskegee, where their conduct has taken high rank. They have shown that they have been worthy of all the encouragement which they have received. Nevertheless, they are too often subjected to thoughtless and inconsiderate treatment, unworthy alike of the white or colored races. They have especially been made the target of the

foul crime of lynching. For several years these acts of unlawful violence had been diminishing. In the last year they have shown an increase. Every principle of order and law and liberty is opposed to this crime. The Congress should enact any legislation it can under the Constitution to provide for its elimination.

AMERICAN INDIAN

The condition of the American Indian has much improved in recent years. Full citizenship was bestowed upon them on June 2, 1924, and appropriations for their care and advancement have been increased. Still there remains much to be done.

Notable increases in appropriations for the several major functions performed by the Department of the Interior on behalf of the Indians have marked the last five years. In that time, successive annual increases in appropriations for their education total \$1,804,325; for medical care, \$578,000; and for industrial advancement, \$205,000; or \$2,582,325 more than would have been spent in the same period on the basis of appropriations for 1923 and the preceding years.

The needs along health, educational, industrial, and social lines, however, are great, and the Budget estimates for 1929 include still further increases for Indian administration.

To advance the time when the Indians may become self-sustaining, it is my belief that the Federal Government should continue to improve the facilities for their care, and as rapidly as possible turn its responsibility over to the States.

COAL

Legislation authorizing a system of fuel administration and the appointment by the President of a Board of Mediation and Conciliation in case of actual or threatened interruption of production is needed. The miners themselves are now seeking information and action from the Government, which could readily be secured through such a board. It is believed that a thorough investigation and reconsideration of this proposed policy by the Congress will demonstrate that this recommendation is sound and should be adopted.

PETROLEUM CONSERVATION

The National Government is undertaking to join in the formation of a cooperative committee of lawyers, engineers, and public officers, to consider what legislation by the States or by the Congress can be adopted for the preservation and conservation of our supply of petroleum. This has come to be one of the main dependencies for transportation and power so necessary to our agricultural and industrial

life. It is expected the report of this committee will be available for later congressional action. Meantime, the requirement that the Secretary of the Interior should make certain leases of land belonging to the Osage Indians, in accordance with the act of March 3, 1921, should be repealed. The authority to lease should be discretionary, in order that the property of the Indians may not be wasted and the public suffer a future lack of supply.

ALIEN PROPERTY

Under treaty the property held by the Alien Property Custodian was to be retained until suitable provision had been made for the satisfaction of American claims. While still protecting the American claimants, in order to afford every possible accommodation to the nationals of the countries whose property was held, the Congress has made liberal provision for the return of a large part of the property. All trusts under \$10,000 were returned in full, and partial returns were made on the others. The total returned was approximately \$350,000,000.

There is still retained, however, about \$250,000,000. The Mixed Claims Commissions has made such progress in the adjudication of claims that legislation can now be enacted providing for the return of the property, which should be done under conditions which will protect our Government and our claimants. Such a measure will be proposed, and I recommend its enactment.

RAILROAD CONSOLIDATION

In order to increase the efficiency of transportation and decrease its cost to the shipper, railroad consolidation must be secured. Legislation is needed to simplify the necessary procedure to secure such agreements and arrangements for consolidation, always under the control and with the approval of the Interstate Commerce Commission. Pending this, no adequate or permanent reorganization can be made of the freight-rate structure. Meantime, both agriculture and industry are compelled to wait for needed relief. This is purely a business question, which should be stripped of all local and partisan bias and decided on broad principles and its merits in order to promote the public welfare. A large amount of new construction and equipment, which will furnish employment for labor and markets for commodities of both factory and farm, wait on the decision of this important question. Delay is holding back the progress of our country.

Many of the same arguments are applicable to the consolidation of the Washington traction companies.

VETERANS

The care which this country has lavished on its veterans is known of all men. The yearly outlay for this purpose is about \$750,000,000, or about the cost of running the Federal Government, outside of the Post Office Department, before the World War. The Congress will have before it recommendations of the American Legion, the Veterans of Foreign Wars, and other like organizations, which should receive candid consideration. We should continue to foster our system of compensation and rehabilitation, and provide hospitals and insurance. The magnitude of the undertaking is already so large that all requests calling for further expenditure should have the most searching scrutiny. Our present system of pensions is already sufficiently liberal. It was increased by the last Congress for Civil and Spanish War veterans and widows and for some dependents.

It has been suggested that the various governmental agencies now dealing with veterans' relief be consolidated. This would bring many advantages. It is recommended that the proper committees of the Congress make a thorough survey of this subject, in order to determine if legislation to secure such consolidation is desirable.

EDUCATION

For many years it has been the policy of the Federal Government to encourage and foster the cause of education. Large sums of money are annually appropriated to carry on vocational training. Many millions go into agricultural schools. The general subject is under the immediate direction of a Commissioner of Education. While this subject is strictly a State and local function, it should continue to have the encouragement of the National Government. I am still of the opinion that much good could be accomplished through the establishment of a Department of Education and Relief, into which would be gathered all of these functions under one directing member of the Cabinet.

DEPARTMENT OF LABOR

Industrial relations have never been more peaceful. In recent months they have suffered from only one serious controversy. In all others difficulties have been adjusted, both management and labor wishing to settle controversies by friendly agreement rather than by compulsion. The welfare of women and children is being especially guarded by our Department of Labor. Its Children's Bureau is in cooperation with 26 State boards and 80 juvenile courts.

Through its Bureau of Immigration it has been found that medical examination abroad has saved prospective immigrants from much

hardship. Some further legislation to provide for reuniting families when either the husband or the wife is in this country, and granting more freedom for the migration of the North American Indian tribes is desirable.

The United States Employment Service has enabled about 2,000,000 men and women to gain paying positions in the last fiscal year. Particular attention has been given to assisting men past middle life and in providing field labor for harvesting agricultural crops. This has been made possible in part through the service of the Federal Board for Vocational Education, which is cooperating with the States in a program to increase the technical knowledge and skill of the wage earner.

PUBLIC BUILDINGS

Construction is under way in the country and ground has been broken for carrying out a public-building program for Washington. We have reached a time when not only the conveniences but the architectural beauty of the public buildings of the Capital City should be given much attention. It will be necessary to purchase further land and provide the required continuing appropriations.

HISTORICAL CELEBRATIONS

Provision is being made to commemorate the two hundredth anniversary of the birth of George Washington. Suggestion has been made for the construction of a memorial road leading from the Capital to Mount Vernon, which may well have the consideration of the Congress, and the commission intrusted with preparations for the celebration will undoubtedly recommend publication of the complete writings of Washington and a series of writings by different authors relating to him.

February 25, 1929, is the one hundred and fiftieth anniversary of the capture of Fort Sackville, at Vincennes, in the State of Indiana. This eventually brought into the Union what was known as the Northwest Territory, embracing the region north of the Ohio River between the Alleghenies and the Mississippi River. This expedition was led by George Rogers Clark. His heroic character and the importance of his victory are too little known and understood. They gave us not only this Northwest Territory but by means of that the prospect of reaching the Pacific. The State of Indiana is proposing to dedicate the site of Fort Sackville as a national shrine. The Federal Government may well make some provision for the erection under its own management of a fitting memorial at that point.

FOREIGN RELATIONS

It is the policy of the United States to promote peace. We are a peaceful people and committed to the settling of disputes by amicable adjustment rather than by force. We have believed that peace can best be secured by a faithful observance on our part of the principles of international law, accompanied by patience and conciliation, and requiring of others a like treatment for ourselves. We have lately had some difference with Mexico relative to the injuries inflicted upon our nationals and their property within that country. A firm adherence to our rights and a scrupulous respect for the sovereignty of Mexico, both in accordance with the law of nations, coupled with patience and forbearance, it is hoped will resolve all our differences without interfering with the friendly relationship between the two Governments.

We have been compelled to send naval and marine forces to China to protect the lives and property of our citizens. Fortunately their simple presence there has been sufficient to prevent any material loss of life. But there has been considerable loss of property. That unhappy country is torn by factions and revolutions which bid fair to last for an indefinite period. Meanwhile we are protecting our citizens and stand ready to cooperate with any government which may emerge in promoting the welfare of the people of China. They have always had our friendship, and they should especially merit our consideration in these days of their distraction and distress.

We were confronted by similar condition on a small scale in Nicaragua. Our marine and naval forces protected our citizens and their property and prevented a heavy sacrifice of life and the destruction of that country by a reversion to a state of revolution. Henry L. Stimson, former Secretary of War, was sent there to cooperate with our diplomatic and military officers in effecting a settlement between the contending parties. This was done on the assurance that we would cooperate in restoring a state of peace where our rights would be protected by giving our assistance in the conduct of the next presidential election, which occurs in a few months. With this assurance the population returned to their peace-time pursuits, with the exception of some small roving bands of outlaws.

In general, our relations with other countries can be said to have improved within the year. While having a due regard for our own affairs, the protection of our own rights, and the advancement of our own people, we can afford to be liberal toward others. Our example has become of great importance in the world. It is recognized that we are independent, detached, and can and do take a disinterested position in relation to international affairs. Our charity

embraces the earth. Our trade is far flung. Our financial favors are widespread. Those who are peaceful and law-abiding realize that not only have they nothing to fear from us, but that they can rely on our moral support. Proposals for promoting the peace of the world will have careful consideration. But we are not a people who are always seeking for a sign. We know that peace comes from honesty and fair dealing, from moderation, and a generous regard for the rights of others. The heart of the Nation is more important than treaties. A spirit of generous consideration is a more certain defense than great armaments. We should continue to promote peace by our example, and fortify it by such international covenants against war as we are permitted under our Constitution to make.

AMERICAN PROGRESS

Our country has made much progress. But it has taken, and will continue to take, much effort. Competition will be keen, the temptation to selfishness and arrogance will be severe, the provocations to deal harshly with weaker peoples will be many. All of these are embraced in the opportunity for true greatness. They will be overbalanced by cooperation, by generosity, and a spirit of neighborly kindness. The forces of the universe are taking humanity in that direction. In doing good, in walking humbly, in sustaining its own people, in ministering to other nations, America will work out its own mighty destiny.

CALVIN COOLIDGE

THE WHITE HOUSE, *December 6, 1927.*

LIST OF PAPERS

[Unless otherwise specified, the correspondence is *from* or *to* officials in the Department of State.

GENERAL

THREE-POWER CONFERENCE AT GENEVA FOR THE LIMITATION OF NAVAL ARMAMENT, JUNE 20-AUGUST 4, 1927

Date and number	Subject	Page
1927 Feb. 3 (24)	<i>To the Ambassador in France (tel.)</i> Instructions to make advance arrangements for delivery to Foreign Office on February 10 of memorandum and message of President Coolidge, texts of which will be transmitted by telegrams Nos. 25 and 26. (Footnote: The same, <i>mutatis mutandis</i> , to the Embassies in Great Britain and Italy; similar instructions to the Embassy in Japan.)	1
Feb. 3 (25)	<i>To the Ambassador in France (tel.)</i> Memorandum for French Government (text printed), inquiring whether, as a signatory to the Washington treaty limiting naval armament, France is disposed to empower her delegates on the Preparatory Commission for the Disarmament Conference at Geneva, pending the results of the Conference, to negotiate and conclude a further naval limitation agreement, supplementing the Washington treaty and covering the classes of vessels not dealt with by that treaty. (Footnote: Instructions to repeat text of memorandum to Great Britain and Italy. A similar telegram was sent to the Embassy in Japan.)	1
Feb. 3 (14)	<i>To the Ambassador in Japan (tel.)</i> Instructions to supplement presentation of memorandum by oral expression of U. S. views.	5
Feb. 3 (26)	<i>To the Ambassador in France (tel.)</i> President Coolidge's proposed message to Congress (text printed), outlining the considerations which prompted him to direct the presentation of a proposal for further naval limitation to the Washington treaty signatories. (Footnotes: Instructions to repeat to Great Britain and Italy. A similar telegram was sent to Japan. Information that the President's message was communicated to Congress on February 10.)	6
Feb. 3 (27)	<i>To the Ambassador in France (tel.)</i> Instructions to supplement presentation of memorandum by oral expression of U. S. views.	9
Feb. 7 (5)	<i>To the Ambassador in Chile (tel.)</i> Transmittal of text of naval limitation memorandum, with instructions to present copy to Foreign Minister on February 10, as a matter of courtesy and for his Government's information. (Footnote: Instructions to repeat to Argentina. A similar telegram was sent to Brazil.)	9

THREE-POWER CONFERENCE AT GENEVA FOR THE LIMITATION OF NAVAL ARMAMENT, JUNE 20-AUGUST 4, 1927—Continued

Date and number	Subject	Page
1927 Feb. 15 (66)	<i>From the Ambassador in France (tel.)</i> French reply (text printed), stating inability to accept suggestion for separate naval limitation agreement among signatories of Washington treaty because of conviction that naval limitation can be dealt with effectively only by the Preparatory Commission.	10
Feb. 19	<i>From the Japanese Embassy</i> Acceptance of proposal to participate in negotiations for further naval limitation.	13
Feb. 21 (24)	<i>From the Ambassador in Italy (tel.)</i> Information that a negative reply has been received from the Italian Government.	14
Feb. 21 (25)	<i>From the Ambassador in Italy (tel.)</i> Italian reply (text printed), giving among other reasons for inability to accede to U. S. proposal, the fact that Italy's unfavorable geographical position prevents limitation of her already insufficient naval armament.	14
Feb. 21 (26)	<i>From the Ambassador in Italy (tel.)</i> Observation that no effective naval limitation in the Mediterranean can be accomplished until Italo-French relations improve.	16
Feb. 21 (39)	<i>To the Ambassador in Great Britain (tel.)</i> Information from British Ambassador that his Government is sympathetically considering U. S. proposal, but that reply will be delayed because of necessity to consult Dominions. Press reports of favorable attitude of Prime Minister Baldwin and Foreign Secretary Chamberlain and emphatic opposition of Bridgeman, First Lord of the Admiralty; authorization, if deemed wise, to discuss the whole matter with Chamberlain.	17
Feb. 22	<i>Memorandum by the Chief of the Division of Western European Affairs</i> Conversation in which the Italian Ambassador was told, in reply to his Government's suggestion that Italy would reconsider refusal to participate if assured in advance that Italo-French parity established by Washington treaty would not be disturbed, that it was just such questions which would have to be studied by the Naval Conference. Further outline to Ambassador of reasons why Italy should be interested in participating, and Ambassador's intention to cable his Government.	17
Feb. 22 (20)	<i>From the Chargé in Argentina (tel.)</i> Communication from Argentine Government (text printed), stating that the question of naval limitation should await action of Preparatory Commission.	19
Feb. 24 (7)	<i>To the Ambassador in Chile (tel.)</i> Instructions, should suitable occasion be presented, to advise Foreign Minister that Argentine reply to communication of February 7 appears to have been occasioned by some misunderstanding, and that replies are not expected from Brazil or Chile. (Footnote: Sent also, <i>mutatis mutandis</i> , to Brazil. The Embassy in Argentina was informed by telegram to the same effect.)	20

THREE-POWER CONFERENCE AT GENEVA FOR THE LIMITATION OF NAVAL ARMAMENT, JUNE 20—AUGUST 4, 1927—Continued

Date and number	Subject	Page
1927 Feb. 24 (46)	<i>From the Ambassador in Great Britain (tel.)</i> Emphatic assurance by Bridgeman of his desire for Naval Conference and indication that favorable British reply may be expected following receipt of answers from Dominions.	20
Feb. 24	<i>Memorandum by the Under Secretary of State</i> Conversation in which the Italian Ambassador was informed that the United States could not guarantee in advance that Conference would maintain Franco-Italian parity, even if such guarantee would enable Italy to reconsider refusal to attend Conference.	21
Feb. 25 (48)	<i>From the Ambassador in Great Britain (tel.)</i> Draft of British reply (text printed) accepting U. S. invitation, to be made public on February 28 following receipt of expected favorable replies from Dominions.	22
Mar. 5	<i>Memorandum by the Under Secretary of State</i> Report of separate conversations with the British and Japanese Ambassadors, in which each expressed his personal opinion that in spite of French and Italian refusals, his Government would agree to discuss naval limitation with the other two powers. Informal approval by Ambassadors of plan to invite France and Italy to send observers.	23
Mar. 5 (17)	<i>To the Ambassador in Italy (tel.)</i> Information concerning Italian Ambassador's discussions at the Department with regard to Italy's attitude toward naval limitation, and his intention to try to persuade his Government to reconsider refusal. U. S. request of British and Japanese Ambassadors that they ascertain whether procedure upon three-power basis would be agreeable to their Governments. (Footnote: Information that paragraph concerning procedure upon three-power basis was cabled to Embassies in Great Britain and Japan.)	24
Mar. 8 (49)	<i>To the Ambassador in Great Britain (tel.)</i> Instructions to advise Chamberlain that an indication to Japanese Government of British attitude toward Three-Power Conference will facilitate Japanese reply.	26
Mar. 9 (59)	<i>From the Ambassador in Great Britain (tel.)</i> Information that copy of British acceptance of Three-Power Conference proposal has been sent to British Embassy at Tokyo.	26
Mar. 10	<i>Memorandum by the Under Secretary of State</i> Conversation in which British Ambassador read his Government's informal acceptance (text printed).	26
Mar. 11	<i>From the Japanese Embassy</i> Acceptance of invitation to Three-Power Conference.	27
Mar. 11	<i>To the Japanese Ambassador</i> Formal confirmation of Three-Power Conference proposal, with expression of hope that France and Italy may be represented at least informally, and information that discussions will begin at Geneva about June 1. (Footnote: Sent, <i>mutatis mutandis</i> , to the British Ambassador.)	28

THREE-POWER CONFERENCE AT GENEVA FOR THE LIMITATION OF NAVAL ARMAMENT, JUNE 20-AUGUST 4, 1927—Continued

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1927 Mar. 12 (72)	<i>To the Ambassador in France (tel.)</i> Memorandum for Foreign Office (text printed), acknowledging French Government's reply of February 15 and extending invitation to be represented in some manner at Three-Power Conference.	28
Mar. 12 (18)	<i>To the Ambassador in Italy (tel.)</i> Memorandum for Foreign Office (text printed), acknowledging Italian Government's reply of February 21 and extending invitation to be represented in some manner at Three-Power Conference.	30
Apr. 3 (152)	<i>From the Ambassador in France (tel.)</i> Foreign Office <i>note verbale</i> , April 2 (text printed), explaining why decision concerning representation at Three-Power Conference, even by an observer, must be deferred.	31
Apr. 6 (229)	<i>From the British Ambassador</i> British Government's assumption that postponement of meeting to June 1 means that formal Naval Conference, rather than preliminary conversations, will take place on that date at Geneva; plan to send Bridgeman, Viscount Cecil, and Admiral Field as plenipotentiaries.	32
Apr. 6	<i>From the Japanese Ambassador</i> Desire that Conference begin no earlier than June 11, in order to allow sufficient time for Japanese delegation to reach Geneva.	33
Apr. 6 (50)	<i>From the Ambassador in Japan (tel.)</i> Information that Japanese delegates will be Admiral Viscount Saito and Viscount Ishii.	34
Apr. 13 (116)	<i>To the Chief of the American Delegation on the Preparatory Commission (tel.)</i> Instructions to cable if definite date for Three-Power Conference has been arranged and to give suggestions as to personnel of American delegation; communication of names of British and Japanese delegates.	34
Apr. 14 (241)	<i>From the Chief of the American Delegation on the Preparatory Commission (tel.)</i> Information that definite arrangements have not yet been made as to date or secretariat for Conference; Bridgeman's opposition to Geneva as meeting place.	35
Apr. 20 (121)	<i>To the Chief of the American Delegation on the Preparatory Commission (tel.)</i> Advice that, while United States cannot very well take initiative in suggesting that Conference be held elsewhere than in Geneva, it will not oppose such a suggestion if made by Great Britain or Japan, or if League would be embarrassed by having negotiations there or is unable to provide the necessary facilities.	36
27 (84)	<i>To the Ambassador in Great Britain (tel.)</i> Instructions to inform Chamberlain of unofficial British suggestions for holding Conference elsewhere and of League preference that request for use of facilities come from either Great Britain or Japan as League members.	37

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1927 Apr. 28 (98)	<i>From the Ambassador in Great Britain (tel.)</i> Chamberlain's statement that British Government prefers Geneva and has so notified Japan, and that necessary steps are being taken with regard to use of League facilities.	38
May 5 (93)	<i>To the Ambassador in Great Britain (tel.)</i> Instructions to advise Chamberlain of U. S. assumption that British delegation will either include fully empowered Dominion representatives or will itself be empowered by Dominion Governments.	38
May 6 (105)	<i>From the Ambassador in Great Britain (tel.)</i> Chamberlain's assurance that British delegation will include fully empowered Dominion representatives.	38
May 11 (77)	<i>From the Chargé in Japan (tel.)</i> Foreign Minister's emphasis on strong desire of new Japanese Government that naval limitation be effected at Geneva. (Footnote: Information that the ministry of Baron Gi-ichi Tanaka replaced the ministry of Reijiro Wakatsuki in April 1927.)	39
May 17 (66)	<i>From the Ambassador in Italy (tel.)</i> Italian memorandum, in reply to invitation to be represented at Conference, reserving right to send naval experts who may at any given time assume the character of observers (text printed). (Footnote: Information that the Department was advised on June 4 that the Italian Government had appointed two unofficial observers; information, also, that a French <i>Mission d'Information</i> attended the plenary sessions.)	39
May 23	<i>To the British Ambassador</i> Confirmation of arrangement that Three-Power Conference at Geneva will open on June 20. (Footnote: Identic note on the same date to the Japanese Ambassador.)	40
May 27	<i>To President Coolidge</i> Recommendations as to membership of American delegation.	40
June 1	<i>Memorandum by the Chief of the Division of Western European Affairs</i> Record of conference of State and Navy Department officials with President Coolidge in regard to U. S. policy and proposals to be laid before Geneva Conference.	42
June 2 (1)	<i>To the Chairman of the American Delegation</i> Notification to Mr. Hugh S. Gibson of his appointment as chairman of the American delegation; information that Admiral Hilary P. Jones will be a delegate and that Mr. Hugh R. Wilson will be secretary general; list of State and Navy Department assistants on the delegation; general instructions as to U. S. participation, with emphasis on fact that Conference is most likely to be successful if its deliberations are restricted to the immediate problem of extension of Washington treaty principles and ratios to auxiliary vessels.	43
June 9 (46)	<i>To the Minister in Switzerland (tel.)</i> Communication of names of British and Dominion delegates.	45

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1927		
June 20 (11)	<i>From the Chairman of the American Delegation (tel.)</i> Press release (text printed), giving an estimate of tonnage to be scrapped if American proposal for basis of 300,000 tons of cruisers and 250,000 tons of destroyers for the United States and the British Empire, and 180,000 tons of cruisers and 150,000 tons of destroyers for Japan were accepted; information that no scrapping of submarines would be required on basis of 90,000 tons of submarines for the United States and the British Empire and 54,000 tons for Japan.	46
June 20 (12)	<i>From the Chairman of the American Delegation (tel.)</i> For the President: Message from secretary general of Conference transmitting greetings from the delegates.	47
June 20 (15)	<i>From the Chairman of the American Delegation (tel.)</i> Résumé of first plenary session, at which the chairman of the American delegation was named president of the Conference, organization procedure was decided upon, and the three delegations gave opening statements.	47
June 21 (16)	<i>From the Chairman of the American Delegation (tel.)</i> Executive committee resolution (text printed) recommending the formation of a technical committee to exchange statistics of present cruiser, destroyer, and submarine tonnage of each of the powers, the tonnage now authorized and appropriated for, and other pertinent information.	48
June 22 (22)	<i>From the Chairman of the American Delegation (tel.)</i> Disappointment of American delegation at receptive attitude of Japanese delegation toward British proposals for modification of Washington treaty.	48
June 22 (23)	<i>From the Chairman of the American Delegation (tel.)</i> Japanese desire for upward revision of the ratio assigned to Japan by the Washington treaty.	50
June 23 (25)	<i>From the Chairman of the American Delegation (tel.)</i> Request for instructions concerning whether it should be suggested to British that U. S. delegation is prepared to sustain adoption by Conference of a decision (draft printed), reserving consideration of the British proposals to the 1931 Conference provided under the Washington treaty.	50
June 23 (26)	<i>From the Chairman of the American Delegation (tel.)</i> British insistence upon discussion of capital ships at present Conference and upon importance of placing limits upon maximum size of cruisers, destroyers, and submarines.	51
June 23 (27)	<i>From the Chairman of the American Delegation (tel.)</i> Belief that Bridgeman desires a plenary meeting soon in order that each power may state naval needs and justification therefor, and that he will argue for preponderant British strength; intention of American delegation to reiterate that naval needs depend on strength of other powers and are purely relative, and by emphasizing certain other factors to bring out in bold relief U. S. willingness not only for real limitation but for reduction as well.	52
June 24 (10)	<i>To the Chairman of the American Delegation (tel.)</i> Approval of suggested action and draft decision set forth in chairman's telegram No. 25, June 23.	53

THREE-POWER CONFERENCE AT GENEVA FOR THE LIMITATION OF NAVAL ARMAMENT, JUNE 20-AUGUST 4, 1927—Continued

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1927 June 24 (31)	<i>From the Chairman of the American Delegation (tel.)</i> Reply of American and Japanese delegates, in response to Bridgeman's inquiry as to suitable time for plenary session debate on British suggestions concerning battleships and aircraft carriers, to effect that since their instructions precluded discussion of Washington treaty revision, they would have to ask their Governments for pertinent instructions.	54
June 24 (11)	<i>To the Chairman of the American Delegation (tel.)</i> Authorization to take action outlined in chairman's telegram No. 27, June 23, if British insist on elaborately defending their demand for a high cruiser tonnage; assurance that United States is sincere in regard to maintaining parity with Great Britain, but on the other hand is unwilling to sign a treaty increasing British cruiser strength by 75 percent and requiring the United States to triple its cruiser strength.	55
June 25 (138)	<i>To the Chargé in Great Britain (tel.)</i> Forwarding of chairman's telegram No. 27, June 23, and Department's telegram No. 11, June 24, with instructions to advise Chamberlain informally of U. S. Government's surprise concerning British attitude at Geneva, in view of repeated assurances that Great Britain would accept parity with the United States in all classes of naval vessels.	56
June 26 (32)	<i>From the Chairman of the American Delegation (tel.)</i> Optimistic view of American delegation that obstacles, such as satisfying Japanese <i>amour-propre</i> while maintaining Washington treaty ratio and acceding to British desire for no limitation on number of small cruisers, can be overcome; efforts to dispose as soon as possible of British suggestions concerning Washington treaty.	56
June 27 (33)	<i>From the Chairman of the American Delegation (tel.)</i> Information, for State and Navy Departments, that comparison of British and American capital ship tonnage on the Washington standard-ton basis shows that excess British tonnage is even greater than was previously indicated.	58
June 27 (35)	<i>From the Chairman of the American Delegation (tel.)</i> Suggestion that British delegation might be aided in withdrawal from untenable position regarding revision of Washington treaty, if the Secretary would discuss frankly with British Embassy in Washington, U. S. interest in nonrevision of the treaty, insistence upon parity with Great Britain, and desire for curtailment of naval building program.	59
June 27 (36)	<i>From the Chairman of the American Delegation (tel.)</i> Expression of regret to Japanese delegate that his Government has revised its instructions to permit acquiescence in British proposals for discussion of capital ships.	60
June 27	<i>From the British Ambassador</i> Information, supplied at Chamberlain's direction and for communication to President Coolidge, that the British Government aimed, in including in its proposals the question of reducing the size of capital ships, to further the spirit of the Washington treaty, to set an example for the Preparatory Commission to follow, and to effect economy in reduction of armaments.	61

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June 28	<i>To President Coolidge</i> Transmittal of British Ambassador's note of June 27, with comments.	63
June 28 (20)	<i>To the Chairman of the American Delegation (tel.)</i> Information that it is impossible to carry out the suggestion in chairman's telegram No. 35, June 27, because of absence of British Embassy force from Washington, but that copies of chairman's telegram No. 27, June 23, and the Department's telegram No. 11, June 24, have been forwarded to the American Embassy in London with instructions.	64
June 30	<i>From President Coolidge</i> Approval of Secretary's position as set forth in letter of June 28.	64
June 30 (44)	<i>From the Chairman of the American Delegation (tel.)</i> Press interview authorized by Bridgeman (text printed), denying demand for naval supremacy and reiterating principle of U. S.-British parity, but also expressing opinion that while Great Britain's special needs require a higher number in certain types of vessels, the United States has the right to build up to an equal figure in any type of warship.	65
June 30 (45)	<i>From the Chairman of the American Delegation (tel.)</i> Summary of developments favorable to American position: British action in preferring postponement of public sessions, end of their insistence on public debate on U. S.-British naval needs, realization that they cannot force Washington treaty revision by rush tactics, and the reasonable spirit exhibited by the technical committees.	65
July 2 (53)	<i>From the Chairman of the American Delegation (tel.)</i> Information that if the British are disinclined to reduce their excessive demands for 75 cruisers, of either 7,500 or 10,000 tons each, American delegation intends to say that it believes the British should publish their figures, together with their justification therefor, and state quite frankly that it was impossible to come to an agreement, thus leaving the entire matter for general agreement in 1931.	66
July 2 (26)	<i>To the Chairman of the American Delegation (tel.)</i> Instructions to advise British that no proposal which sets total cruiser tonnage figure to be arrived at before 1936 at more than 400,000 tons would make conclusion of an agreement worth while; request for comment on Secretary's intention to consult Canadian and Irish Legations as to any demands for excessive tonnage increases; inquiry regarding possible discussions with the Japanese Ambassador.	69
July 4 (58)	<i>From the Chairman of the American Delegation (tel.)</i> Advice that British have already been informed of unacceptability of their figures as real limitation, and opinion that neither inquiries to Canadian and Irish Legations nor discussion with Japanese Ambassador would be advantageous.	69
July 5 (147)	<i>To the Chargé in Great Britain (tel.)</i> Transmittal of chairman's telegram No. 53, July 2, with instructions to discuss with Baldwin or Chamberlain, if thought advisable, the excessive cruiser tonnage proposed by the British.	70

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July 5 (60)	<i>From the Chairman of the American Delegation (tel.)</i> American delegation's suggestion for eventually reconciling British proposal based on numbers with American proposal based on total tonnage (text printed).	70
July 5 (61)	<i>From the Chairman of the American Delegation (tel.)</i> Information that Japanese refuse to accept cruiser tonnage basis of 400,000 tons, that they intend to demand that British revise their figures downward, and that the American delegation has promised hearty cooperation in this demand.	72
July 6 (27)	<i>To the Chairman of the American Delegation (tel.)</i> Conversation between the Secretary of State and the British Ambassador, in which each explained the attitude of his respective delegation with regard to the general problems of the Conference and also to the specific question of British cruiser tonnage demands.	72
July 6 (63)	<i>From the Chairman of the American Delegation (tel.)</i> Résumé of interview with British on cruiser question, which ended without a solution having been reached.	74
July 6 (64)	<i>From the Chairman of the American Delegation (tel.)</i> Japanese memorandum (text printed) recommending the adoption of a 450,000-ton basis for auxiliary surface craft for the United States and Great Britain, with 300,000-ton basis for Japan, and 70,000 tons of submarines for Japan.	76
July 6 (65)	<i>From the Chairman of the American Delegation (tel.)</i> Belief that, although the British refuse to accept tonnage figures proposed by the Japanese, they may be induced to reasonableness by knowledge that they stand alone in demand for a large cruiser tonnage.	77
July 7 (156)	<i>From the Ambassador in Great Britain (tel.)</i> Opinion that pressure on Baldwin or Chamberlain will probably be unproductive of results; willingness, however, to impress on them six specific points showing the unfavorable reaction on U. S.-British relations if the British persist in present policy at Geneva.	78
July 7 (151)	<i>To the Ambassador in Great Britain (tel.)</i> Desire that Ambassador discuss situation with British on basis of his suggestions.	79
July 7 (68)	<i>From the Chairman of the American Delegation (tel.)</i> Japanese intention to submit their proposals formally to executive committee and to express determination to abandon Conference if agreement for lower tonnage figures is not reached.	80
July 7 (69)	<i>From the Chairman of the American Delegation (tel.)</i> Suggestion that, if break-up of Conference appears inevitable, a private conversation of the chief delegates be called at which a general statement of U. S. position may be given and plans may be made for a public statement of the case of each power, in order that public may have information on which to base study of the issues involved.	80

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1927 July 8 (30)	<i>To the Chairman of the American Delegation (tel.)</i> Approval of suggested private conversation should Conference fail; suggestion that a short adjournment might be of value if agreement seems impossible; additional considerations to be included in American delegation's statement to the public meeting if Conference breaks up.	82
July 8 (157)	<i>From the Ambassador in Great Britain (tel.)</i> Substance of conversation with Chamberlain, in which he appeared to be impressed by Ambassador's statement that U. S. public opinion had reacted unfavorably to British proposals. Ambassador's opinion that, should total tonnage be kept under 400,000 tons, it will be a material concession to American views.	84
July 9 (158)	<i>From the Ambassador in Great Britain (tel.)</i> Note from Chamberlain (text printed), reporting discussion with the Prime Minister and colleagues of substance of conversation with American Ambassador, July 8, and stating likelihood that British may ask for short adjournment at Geneva in order to study the points raised in that conversation.	85
July 9	<i>From the British Embassy</i> Explanation of attitude of British Government at Geneva, in order to dispel apparent misunderstanding of its policy.	86
July 9 (33)	<i>To the Chairman of the American Delegation (tel.)</i> Telegram from President Coolidge (text printed) directing Secretary to instruct chairman that a clear, strong statement of American position is needed, regardless of where blame falls, and approving suggestions in Secretary's telegram No. 30, July 8, to the chairman.	89
July 9 (78)	<i>From the Chairman of the American Delegation (tel.)</i> Summary of a private conversation of the three delegations, held at instance of British, in which it appeared that a possible way out of the cruiser impasse might be reached; chairman's opinion that a solution may yet be found.	89
July 11 (80)	<i>From the Chairman of the American Delegation (tel.)</i> Indefinite postponement of plenary session scheduled for July 11, as a mark of respect to death of Irish Foreign Minister, who recently participated in the Conference's work.	91
July 11 (41)	<i>To the Chairman of the American Delegation (tel.)</i> Protest of British Ambassador concerning Wythe Williams' article in <i>New York Times</i> (excerpts printed), which predicts release by American experts, if Conference fails, of documentary proof that Great Britain has violated Washington treaty terms by overtonnage of battleships.	93
July 11 (100)	<i>From the Ambassador in Japan (tel.)</i> Foreign Minister's request that his earnest desire for U. S. assistance to Japanese in bringing about an agreement which will not call for material increases in naval armaments be conveyed to Washington.	94
July 11 (81)	<i>From the Chairman of the American Delegation (tel.)</i> Belief that delegation should concentrate on need to find common ground for agreement between Japanese and British on tonnage levels, and should emphasize U. S. preference for Japanese levels.	94

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1927 July 12 (84)	<i>From the Chairman of the American Delegation (tel.)</i> Opinion that the Wythe Williams, article was founded on pure conjecture; information that American delegates have been scrupulous in not revealing confidential information to the press.	96
July 12 (42)	<i>To the Chairman of the American Delegation (tel.)</i> Inquiry as to truth of press reports from English sources (excerpt printed) that representatives of steel plants or manufacturing concerns are in Geneva or are interfering with deliberations by propagandizing American experts.	96
July 12 (162)	<i>From the Ambassador in Great Britain (tel.)</i> British suggestion (text printed) that agreement should be sought on basis of total tonnage in each class beyond which each party would not go up to 1936. Chamberlain's intention to ask short adjournment and order Bridgeman to London for consultation if agreement cannot be reached along this line; his willingness to meet the Secretary in Geneva if necessary, and if Secretary so requests. (Repeated to Geneva.)	97
July 12 (82)	<i>From the Chairman of the American Delegation (tel.)</i> American suggestion to mixed committee exploring cruiser problem that the real difficulty lies in British effort to force other navies to accept same type of cruisers as themselves, regardless of individual requirements; reiteration by British of unacceptability of tonnage figures of Japanese.	98
July 12 (83)	<i>From the Chairman of the American Delegation (tel.)</i> Unacceptability to Americans and Japanese of British draft plan (text printed) providing for tonnage limitation of 550,000 tons under certain ages, retention of over-age ships in the amount of 20 percent of this figure, and a limitation of 10,000-ton cruisers to 12-12-8, all other cruisers to be limited to 6,000 tons, mounted with no larger than 6-inch guns.	100
July 12 (159)	<i>To the Ambassador in Great Britain (tel.)</i> Permission to inform Chamberlain of Secretary's concurrence in British suggestion outlined in Ambassador's telegram No. 162, July 12; assumption that by "each class" is meant cruisers, destroyers, and submarines; assertion that while the United States requires 10,000-ton cruisers, it does not object to the smaller-type cruisers preferred by British, provided they do not exceed the total tonnage limitation; opinion that a short adjournment of Conference might serve a useful purpose. (Repeated to Geneva.)	101
July 13 (45)	<i>To the Chairman of the American Delegation (tel.)</i> Reluctance of Ambassador in Great Britain, expressed in a telegram of July 13 (text printed), to inform Chamberlain as directed by Secretary's telegram No. 159, July 12, for fear of consequences unfavorable to the American position at Geneva. Instructions to advise Ambassador of any suggestions chairman plans to make concerning Secretary's telegram and possible adjournment. (Footnote: Information that the Ambassador in Great Britain was informed of the contents of this telegram by Department telegram No. 160, July 13, 5 p. m.)	102

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1927 July 13 (86)	<i>From the Chairman of the American Delegation (tel.)</i> Opinion that British delegation is aware that the largest size of cruiser is most suited to U. S. needs; belief that restriction of number of maximum-size cruisers cannot be decided until the total tonnage figure is agreed upon, that short adjournment might cause loss of ground gained by American delegation, and that probably Secretary's influence would continue to be most effective if he remained in Washington. (Copy to London.)	103
July 13 (87)	<i>From the Chairman of the American Delegation (tel.)</i> Japanese proposal for a 30 percent cut in tonnage of auxiliary surface craft now built, building, or authorized, which would result in approximate figure for Great Britain of 484,000 tons, for the United States of 454,000 tons, and for Japan of 310,000 tons. (Copy to London.)	104
July 14 (91)	<i>From the Chairman of the American Delegation (tel.)</i> Doubt that any truth exists in press reports of activities of steel and other interests at Geneva, and opinion that such assertions are British-inspired.	106
July 14 (163)	<i>To the Ambassador in Great Britain (tel.)</i> Instructions, in view of possible misunderstanding of term "class" in British plan, to advise Chamberlain of American interpretation; information that as delegation believes progress is being made, no immediate necessity for adjournment exists.	106
July 15 (99)	<i>From the Chairman of the American Delegation (tel.)</i> Belief that as a last resort Secretary might accept Chamberlain's suggestion to meet in Geneva, but that suggestion may be merely part of British effort to postpone decision; information that as a result of Japanese refusal to discuss a figure exceeding 315,000 tons for their combined cruiser-destroyer tonnage, the British will have to decide either to reduce their figures to approximately 500,000 tons or to accept whatever consequences result.	107
July 16 (166)	<i>To the Ambassador in Great Britain (tel.)</i> Advice that the British proposal is rendered valueless by British Ambassador's explanation that Chamberlain meant by "class" of ships, the different sizes of cruisers rather than the categories of naval craft. (Sent also to Geneva.)	108
July 16 (50)	<i>To the Chairman of the American Delegation (tel.)</i> Telegram No. 165 to the Ambassador in Great Britain (text printed) instructing him to advise Chamberlain that the Secretary foresees no circumstances which would require him to go to Geneva, and advising that the only real question is whether the British can reduce their figures on total cruiser tonnage to meet views of the American and Japanese delegations.	108
July 16 (100)	<i>From the Chairman of the American Delegation (tel.)</i> Request for comments on chairman's statement to second plenary session, July 14.	109

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1927 July 18 (105)	<i>From the Chairman of the American Delegation (tel.)</i> Japanese memorandum (text printed) summarizing the specific propositions set forth by each power in British-Japanese informal conversations.	109
July 18 (53)	<i>To the Chairman of the American Delegation (tel.)</i> Approval of statement to plenary session of July 14; suggestion that if another plenary session becomes necessary, the specific facts to justify American conclusions be stated; instructions as to the nature of statement to be made with regard to American position should Conference break up.	111
July 18 (106)	<i>From the Chairman of the American Delegation (tel.)</i> Request for instructions as to certain points of Japanese memorandum: (1) Advance in ratio for Japan from 3 to 3.25, (2) question of 8-inch guns, and (3) maximum size of smaller-type cruiser.	113
July 18 (107)	<i>From the Chairman of the American Delegation (tel.)</i> Suggestion that the Secretary discuss with the British Ambassador the two conflicting issues which now prevent agreement: (1) British insistence on small-type cruisers and restriction of 8-inch gun, and (2) American insistence on liberty of armament.	114
July 19 (168)	<i>From the Ambassador in Great Britain (tel.)</i> Chamberlain's concurrence in the Secretary's opinion that nothing would be accomplished by a meeting at Geneva between them.	116
July 19 (55)	<i>To the Chairman of the American Delegation (tel.)</i> Opinion that the 5-5-3 ratio must be adhered to, with slight concessions should exact ratio be impractical, and that after reaching agreement on total cruiser tonnage, the United States must retain right to construct within such limits the number and type of cruisers up to 10,000 tons, with such armament up to 8-inch guns as may be necessary. Instructions to cable further data on suggestion in Japanese memorandum that 25 percent of the tonnage totals be retained in over-age vessels.	116
July 19 (108)	<i>From the Chairman of the American Delegation (tel.)</i> Declaration, at meeting for further discussion of Japanese memorandum, of willingness to discuss retention of over-age ships after agreement is reached on the other issues, and of reasons for insistence on liberty of armament within the tonnage limitations; reiteration of suggestion that treaty might contain a political clause providing for reexamination of the cruiser question in case either of the other powers should become apprehensive in the future as to the quantity of U. S. construction of 8-inch-gun vessels.	117
July 19 (110)	<i>From the Chairman of the American Delegation (tel.)</i> Suggestion that, in view of British delegation's recall to London for consultations, a full statement of U. S. position as to tonnage level and liberty of armament within that figure be presented to the British Government either through its Embassy in Washington or through the American Ambassador in London.	119

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1927 July 20 (57)	<i>To the Chairman of the American Delegation (tel.)</i> Advice that the Secretary is hesitant to take up matter again with the British Government, considering instructions to the American Ambassador quoted in telegram No. 50, July 16, but that he will do everything possible to assist in bringing about an agreement. Fear that emphasis on 8-inch guns will lead British to assume U. S. willingness to build cruisers below 10,000 tons armed with 8-inch guns.	120
July 20 (111)	<i>From the Chairman of the American Delegation (tel.)</i> Belief that it would be advisable not to insist on retaining the power to allocate all tonnage to 10,000-ton cruisers, but to indicate willingness to consider possibility of a smaller-size cruiser to be armed with 8-inch guns.	121
July 21 (59)	<i>To the Chairman of the American Delegation (tel.)</i> Advice that it was not intention to direct delegation to insist on the construction of the entire tonnage in 10,000-ton vessels, and instructions to adhere to right to arm all new cruisers with 8-inch guns.	122
July 21 (60)	<i>To the Chairman of the American Delegation (tel.)</i> Conversation with the British Ambassador, in which the Secretary emphasized that the American delegation had made extensive concessions, but that the British must agree to a total tonnage limitation and mounting of 8-inch guns if any treaty is to be made.	122
July 21 (102)	<i>From the Ambassador in Japan (tel.)</i> Foreign Office information that Japanese still hope to bring tonnage figure down to 450,000 tons, that they have not approved British 6-inch gun proposal, and that they recognize the difficulties presented by the obsolete cruiser tonnage clause.	123
July 22	<i>To President Coolidge</i> Doubt that Geneva Conference will have any practical results, in view of grave difficulties encountered with regard to the British demands.	124
July 22 (112)	<i>From the Chairman of the American Delegation (tel.)</i> Further explanation of proposal for retention of over-age ships as contained in Japanese memorandum; unacceptability to American delegation of proposal as it now stands, but possibility that modifications might be worked out which would make it a basis for discussion.	127
July 22 (114)	<i>From the Chairman of the American Delegation (tel.)</i> Inquiry as to authorization to accede to Japanese wish for discussion of 5-3 ratio, and possibility of seeking compromise which would satisfy both U. S. demand for maintenance of the Washington treaty ratio and Japanese need to meet domestic political objections regarding its minority ratio.	130
July 23 (115)	<i>From the Chairman of the American Delegation (tel.)</i> Request for opinion on two drafts of a political clause providing for reexamination of cruiser question (texts printed).	131
July 25 (61)	<i>To the Chairman of the American Delegation (tel.)</i> Preference for the more specific form of political clause, should necessity for it arise.	132

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1927 July 25 (62)	<i>To the Chairman of the American Delegation (tel.)</i> Instructions to advise how much variation from Washington treaty ratio the naval advisers would recommend, since political question involved is how much variation from the Washington treaty can be allowed without endangering treaty itself.	133
July 25	<i>From President Coolidge</i> Commendation of the Secretary and the American delegation for maintenance of U. S. position at Geneva; belief that the United States should not deviate from its position, especially with regard to 10,000-ton cruisers and 8-inch guns, and assertion that if the other powers cannot accept the U. S. proposal, they will have the responsibility for its rejection.	133
July 26 (63)	<i>To the Chairman of the American Delegation (tel.)</i> Intention to state publicly, if British press continues to blame possible break-down of Conference on alleged U. S. ambitions for a big navy, that Great Britain is the only power seeking a large naval program and that it has refused to accept the proposed tonnage limitation figures.	134
July 26 (116)	<i>From the Chairman of the American Delegation (tel.)</i> Disinclination to consider several suggested alternatives: (1) Two-power agreement between the United States and either Great Britain or Japan, (2) nonrestriction of cruisers and agreement only on submarines and destroyers, (3) nonrestriction of small cruisers and restriction of 10,000-ton cruisers, and (4) negotiation of an arrangement based on building program up to 1931.	135
July 27 (65)	<i>To the Chairman of the American Delegation (tel.)</i> Approval of chairman's attitude toward the suggestions outlined in telegram No. 116, July 26; request for further information on the fourth proposition.	135
July 28 (173)	<i>From the Ambassador in Great Britain (tel.)</i> Official remarks by Chamberlain (excerpt printed), to the effect that, while his Government is willing to have a temporary arrangement concerning cruiser building, it could not permit such an arrangement to be considered so immutable as to constitute a precedent. (Repeated to Geneva.)	136
July 28 (122)	<i>From the Chairman of the American Delegation (tel.)</i> Prediction that break-down of Conference cannot be avoided, in view of information that British have not made any substantial change in their demand for small cruisers and 6-inch armament.	136
July 28 (126)	<i>From the Chairman of the American Delegation (tel.)</i> Deadlock of Conference over 8-inch-gun question resulting from inclusion in new British proposals of the same objectionable proposal for 6,000-ton 6-inch-gun cruisers; unacceptability to British of suggested political clause; fixing of date for plenary session, at which each Government may state its position.	137
July 29	<i>To President Coolidge (tel.)</i> Telegram to delegation at Geneva (text printed) suggesting that to avoid disastrous consequences of break-up of Conference, it might be well to abandon the scheduled plenary session and adjourn for a few months to permit time for reflection.	138

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1927 July 29 (71)	<i>To the Chairman of the American Delegation (tel.)</i> Statement by the President to the press (text printed), basing failure of Conference to reach an agreement thus far on U. S. inability to agree to British proposals calling for the building of a much larger navy than is thought necessary, but expressing opinion that such proposals may be modified in current discussions to an extent enabling the United States to agree.	139
July 30 (137)	<i>From the Chairman of the American Delegation (tel.)</i> Request for immediate instructions as to desirability of suggesting to Japanese that they propose adjournment to American and British delegations, in order to avoid the unfavorable implications of a weakening in U. S. attitude if its delegation takes initiative in proposing adjournment.	140
July 30 (76)	<i>To the Chairman of the American Delegation (tel.)</i> Information that the President has disapproved an adjournment and has instructed that a clear, firm statement of U.S. position be given; also information that the chairman's telegram No. 137, July 30, was forwarded to the President. Instructions to advise should either Great Britain or Japan propose an adjournment. (Footnote: Information that a telegram was received from the President at 9:20 p.m., July 30, authorizing the Secretary to use his own discretion as to instructions.)	141
July 31 (82)	<i>To the Chairman of the American Delegation (tel.)</i> Advice that any suggestion for a naval holiday during a provisional period, as reported in a London press despatch, should be given careful consideration before abandoning Conference.	141
July 31 (139)	<i>From the Chairman of the American Delegation (tel.)</i> Résumé of interviews with British delegates which demonstrate the irreconcilability of American and British views. Information that the final American statement is being prepared for presentation at the plenary session.	142
July 31 (141)	<i>From the Chairman of the American Delegation (tel.)</i> Suggestion that, in view of Geneva press reports that Baldwin may consult the U.S. Secretary of State in Washington as to plans to prevent collapse of Conference, Secretary may think it best that plenary session be postponed until after the interview.	145
Aug. 1 (87)	<i>To the Chairman of the American Delegation (tel.)</i> Information that Secretary has not received any official indication of Baldwin's desire to confer on subject of Conference. British Ambassador's comment that naval holiday plan might offer basis on which the Governments could agree.	145
Aug. 1 (147)	<i>From the Chairman of the American Delegation (tel.)</i> Information that American delegation is preparing statement to be made at plenary session; that Japanese are apparently unwilling to initiate adjournment idea; and that British seem anxious for Japanese to propose some solution, possibly of a compromise nature. Request for instructions as to attitude toward possible proposal (1) that a final act be adopted setting forth work of Conference and recommending that the whole question be considered in 1931 or (2) that each delegation address to plenary session inoffensive speeches approved in advance by the other delegations. The chairman's preference for first proposal.	146

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1927 Aug. 3	<p><i>To President Coolidge (tel.)</i> Transmittal of telegram No. 149, August 1, from American delegation, quoting Japanese plan for limitation of auxiliary vessel construction up to 1931, together with delegation's comments and Secretary's reply, to effect that the plan does not appear very satisfactory but that it would be better for Great Britain to turn down the proposal than for the United States to do so (texts printed).</p>	148
Aug. 3	<p><i>To President Coolidge (tel.)</i> Transmittal of Secretary's reply to chairman's telegram No. 147, August 1, agreeing that first proposal should be supported; of chairman's further suggestion for a joint public statement that agreement on cruisers has not been possible and that, therefore, adjournment is being agreed upon in an effort to give a chance for direct negotiations between interested Governments; and of Secretary's approval of latter course of action (texts printed).</p>	150
Aug. 3 (95)	<p><i>To the Chairman of the American Delegation (tel.)</i> Assurance by Senator Robinson, Democratic leader, that he will support U. S. course at Geneva.</p>	152
Aug. 4 (155)	<p><i>From the Chairman of the American Delegation (tel.)</i> British insistence on separate statements; procedure for the final session agreed upon by the three delegations: (1) introductory statement by chairman of the American delegation, (2) statements by British, Japanese, and American delegations, (3) prohibition on debate, and (4) the reading and approval of a joint declaration in which the three delegations recognize the deadlock which makes it wise to adjourn with a frank statement of divergent views and also state their intention to submit the matter to the respective Governments for further study.</p>	152
Aug. 4	<p><i>To President Coolidge (tel.)</i> Joint declaration read at final session (text printed), with recommendation that 1931 Conference provided under Washington treaty be held earlier than August of that year.</p>	153
Aug. 4	<p><i>To President Coolidge (tel.)</i> Statement to press (text printed) with regard to the final session, expressing belief that the discussions will not have been fruitless and that failure to reach agreement will not impair the cordial U. S.-British relations.</p>	155
Aug. 5	<p><i>Memorandum by the Secretary of State</i> Conversation with the Japanese Ambassador concerning proceedings and termination of Conference.</p>	156
Aug. 10	<p><i>To President Coolidge</i> Regret at failure of Conference; opinion that the United States could not have prevented such an outcome in view of British attitude. Belief that apparent British desire for naval supremacy may influence Congress to extend the U. S. building program.</p>	157

PARTICIPATION OF THE UNITED STATES IN THE WORK OF THE THIRD AND FOURTH
SESSIONS OF THE PREPARATORY COMMISSION FOR THE DISARMAMENT
CONFERENCE

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1926 Dec. 9 (190)	<i>From the Secretary of the American Representation on the Preparatory Commission</i> Specific references to American delegation's position on questions dealt with by subcommission A (Military, Naval, and Air), as set forth in report of subcommission A, for possible use in preparation of written communication to League Secretariat concerning report of subcommission B (Joint Commission).	159
Dec. 29 (85)	<i>To the Secretary of the American Representation on the Preparatory Commission (tel.)</i> Instructions to address a letter to Secretariat, with request that it be circulated to the governments concerned, informing League that the United States is unable to submit comments before December 31, but that when statement is submitted it will include comments on certain questions which were included in Joint Commission's report and not included in subcommission A's report, with respect to which questions U. S. Government wishes to make clear that it does not accept the conclusions of the Joint Commission's report.	162
1927 Jan. 11	<i>To the Chairman of the Committee on Foreign Affairs of the House of Representatives</i> Information as to aims and work of Preparatory Commission, for purpose of encouraging favorable congressional action on President's recommendation that funds be appropriated for further participation in the Commission by the United States.	163
Feb. 10 (8)	<i>To the Secretary of the American Representation on the Preparatory Commission</i> Memorandum for Secretary General of the League (text printed), containing American comments on the report of the Joint Commission. (Footnote: Information that the memorandum was circulated by the Secretary General to Preparatory Commission and League members on March 10.)	166
Mar. 7 (57)	<i>From the Ambassador in Great Britain (tel.)</i> Information that British will lay before opening meeting of Commission on March 21 a draft convention embodying plan for the high contracting parties to bring their proposals on strength in land, sea, and air forces before the final Conference, such proposals to be considered separately by appropriate subcommittees.	175
Mar. 21 (186)	<i>From the Chief of the American Representation on the Preparatory Commission (tel.)</i> Presentation by British delegate of draft convention, and expression by French delegate of intention to submit alternative draft embodying French views.	176
Mar. 22 (95)	<i>To the Chief of the American Representation on the Preparatory Commission (tel.)</i> Information, in event it becomes necessary to define U. S. attitude toward an economic blockade which League Council could declare under article XVI of the Covenant, that the United States cannot participate in any such blockade; inability of United States to become a party to an agreement involving any form of international supervision or control of armaments.	177

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1927 Mar. 23 (191)	<p><i>From the Chief of the American Representation on the Preparatory Commission (tel.)</i></p> <p>Outline of two possible courses which will be open to United States after British, French, and possibly other texts have been presented for discussion: (1) To continue to present views on all questions with the idea that they be adopted in draft convention, and (2) to set forth views and make known what sort of treaty the United States could accept, leaving to the other delegations the responsibility for adopting draft which would make U. S. participation either possible or impossible; request for instructions.</p>	177
Mar. 23 (194)	<p><i>From the Chief of the American Representation on the Preparatory Commission (tel.)</i></p> <p>View that if second course outlined in telegram No. 191, March 23, is adopted, American delegation might suggest possibility of dividing the convention into two parts, the United States to adhere to the first part containing the absolute limitation and reduction of armaments, and the League members to adhere, in addition, to the second part concerning enforcement by League agencies.</p>	179
Mar. 24 (195)	<p><i>From the Chief of the American Representation on the Preparatory Commission (tel.)</i></p> <p>Proposed statement to Commission (text printed), offering the idea of a double convention, in case Department approves the second course outlined in telegram No. 191, March 23.</p>	179
Mar. 24 (196)	<p><i>From the Chief of the American Representation on the Preparatory Commission (tel.)</i></p> <p>Request for early decision as to double convention idea, in view of desire of colleagues to broach this idea which they worked out independently.</p>	183
Mar. 25 (98)	<p><i>To the Chief of the American Representation on the Preparatory Commission (tel.)</i></p> <p>Preliminary comment on proposed statement, to the effect that it may be too much of an endorsement of League supervision; intention to send complete comment March 26.</p>	184
Mar. 26 (199)	<p><i>From the Chief of the American Representation on the Preparatory Commission (tel.)</i></p> <p>Opinion that no other course than the one outlined in proposed statement will prevent the United States from incurring the odium of blocking the Conference; request for instructions.</p>	184
Mar. 26 (99)	<p><i>To the Chief of the American Representation on the Preparatory Commission (tel.)</i></p> <p>Objections to statement in present form, and instructions that any statement made should conform to U. S. position of nonaccord with proposals for any form of supervision or control of armaments by any international body, whether League of Nations or any other organization.</p>	186
Mar. 27 (201)	<p><i>From the Chief of the American Representation on the Preparatory Commission (tel.)</i></p> <p>Request for authority to revise statement so as to meet objections outlined in Department's telegram No. 99, March 26, and to present it promptly to Commission.</p>	188

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1927 Mar. 29 (101)	<p><i>To the Chief of the American Representation on the Preparatory Commission (tel.)</i></p> <p>Disinclination of United States to appear before Conference and world as originator of "American plan" calling for joint international supervision and control of armaments for every power except itself; suggestion that other delegations might come forward with the double convention idea if American delegation made a statement to the effect that if powers can find a way to provide such supervision and control for themselves, eliminating it for the United States, the American delegation will cooperate in trying to find a solution.</p>	189
Apr. 4 (214)	<p><i>From the Chief of the American Representation on the Preparatory Commission (tel.)</i></p> <p>Recommendation that when first of the enforcement questions arises, American delegation make a general statement as to inacceptability of whole idea of League machinery and authority, and suggest a treaty confined to disarmament provisions, having previously taken steps to insure at this point that another delegation propose a separate protocol to enforce the treaty between those powers believing in supervision and control.</p>	190
Apr. 5 (109)	<p><i>To the Chief of the American Representation on the Preparatory Commission (tel.)</i></p> <p>Approval of plan and statement proposed in telegram No. 214, April 4.</p>	194
Apr. 5 (216)	<p><i>From the Chief of the American Representation on the Preparatory Commission (tel.)</i></p> <p>Information that Commission took up question of limitation of naval effectives, and that French and Italian delegations intend to submit their proposals as to publicity respecting naval building programs.</p>	194
Apr. 6 (221)	<p><i>From the Chief of the American Representation on the Preparatory Commission (tel.)</i></p> <p>British preparedness to yield, under certain conditions, to French thesis of limitation of naval effectives; American delegation's opinion that limitation by method of limiting effectives may not be wholly inadmissible.</p>	195
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1927 Apr. 9 (83)	<p><i>From the Ambassador in Great Britain (tel.)</i> Memorandum by naval attaché of conversation with Bridgeman, First Lord of the Admiralty (text printed), in which the latter expressed hope that the United States, Great Britain, and Japan might preserve unanimity in attitude toward questions raised at the Preparatory Commission, and suggested that while he preferred no change in attitude of opposition toward total tonnage or effectives limitation theories, modifications in details might be advisable if the three powers act identically.</p>	196
Apr. 10 (113)	<p><i>To the Chief of the American Representation on the Preparatory Commission (tel.)</i> Instructions to yield with regard to French method of limitation of naval effectives if Great Britain and Japan consent to such limitation as one of the elements to be considered in the limitation of naval armaments.</p>	197
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Apr. 11 (71)	<p><i>To the Ambassador in Great Britain (tel.)</i> Instructions to inform Bridgeman unofficially of American delegation's awareness of desirability that three chief naval powers maintain united front in the current Geneva discussions.</p>	198
Apr. 11 (114)	<p><i>To the Chief of the American Representation on the Preparatory Commission (tel.)</i> Opinion that discussion of other phases of draft convention would be worth while, even though no agreement has been reached on naval matter, but concurrence in adjournment if one is desired.</p>	199
Apr. 11 (230)	<p><i>From the Chief of the American Representation on the Preparatory Commission (tel.)</i> Reassurance to Commission, after Bridgeman unexpectedly brought up subject of forthcoming Three-Power Naval Conference, of American delegation's interest in working wholeheartedly for success of the Commission.</p>	199
Apr. 13 (234)	<p><i>From the Chief of the American Representation on the Preparatory Commission (tel.)</i> Delivery of statement (text printed) outlined in telegram No. 214, April 4.</p>	200
Apr. 13 (16)	<p><i>To the Chargé in Argentina (tel.)</i> Department's surprise that the Argentine delegation has apparently reversed its earlier decision to support proposal for limitation of naval armament by classes of ships, and now supports a modification of French thesis of limitation by total tonnage only; instructions to bring matter to Foreign Minister's attention informally and to seek to ascertain reasons for change. (Footnote: Similar instructions to Embassy in Chile.)</p>	203

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Apr. 26 (260)	<i>From the Chief of the American Representation on the Preparatory Commission (tel.)</i> Adjournment of Commission.	204
May 16 (65)	<i>From the Ambassador in Chile (tel.)</i> Information, in response to instruction of April 13, that misunderstanding of terms of French proposition had occasioned change in Chilean instructions to its delegation, but that new instructions to oppose all propositions inconsistent with limitation by categories will go forward shortly.	205
Aug. 1 (148)	<i>From the Chairman of the American Delegation to the Naval Conference (tel.)</i> Remark by member of French <i>Mission d'Information</i> attending Naval Conference, that if Conference should fail, meeting of Preparatory Commission scheduled for November would have to be postponed; suggestion to him that, until Naval Conference has adjourned, discussion of such a contingency would be somewhat premature.	206
Aug. 2 (89)	<i>To the Chairman of the American Delegation to the Naval Conference (tel.)</i> Statement that League of Nations, not the United States, should take the responsibility for the Commission's discontinuance or postponement.	206
Oct. 20 (53)	<i>To the Ambassador in Belgium (tel.)</i> Instructions to telegraph suggestions as to attitude of American delegation concerning formation of proposed Security Committee by League, and possible American representation.	206
Oct. 25 (144) (L. N. 985)	<i>From the Minister in Switzerland</i> Transmittal of League communication inviting attention to fact that nonmembers of League represented on Preparatory Commission may participate in work of Security Committee established by Assembly resolution of September 26. (Footnote: Resolution (excerpt printed) authorizing a committee to assist Preparatory Commission by considering measures required to give all states guarantees of security and arbitration necessary to enable them to reduce armaments to a minimum in an international disarmament agreement.)	207
Oct. 27 (76)	<i>From the Ambassador in Belgium (tel.)</i> Observation that criticism of aloofness, certain to be caused by nonparticipation of the United States in Security Committee, might be avoided by accepting invitation, on the understanding that American representative cannot join in written recommendations to League Council or Assembly because of U. S. nonmembership.	207

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1927 Nov. 8 (54)	<i>To the Ambassador in Belgium (tel.)</i> Conclusion that American delegate to Preparatory Commission should be instructed not to take any part in organization of proposed Security Committee and not to accept a place on that Committee; instructions to advise opinion.	208
Nov. 10 (79)	<i>From the Ambassador in Belgium (tel.)</i> Opinion that the United States should be represented on Security Committee because its deliberations will come up in subsequent Preparatory Commission meetings, and that when strictly League questions are discussed, American representative can make his nonparticipation clear by a reminder of U. S. nonmembership in the League.	209
Nov. 15 (94)	<i>To the Minister in Switzerland (tel.)</i> Instructions to attend fourth session of Preparatory Commission, November 30, as chief of the American representation; to express to Commission, when it becomes necessary, reasons for U. S. Government's inability to cooperate in Security Committee's deliberations; and to advise Secretary General of intention to express views on proposed Security Committee at the forthcoming session of the Preparatory Commission.	210
Nov. 22 (97)	<i>To the Minister in Switzerland (tel.)</i> Further reasons for Department's decision as to nonrepresentation of United States on Security Committee. (Instructions to mail copy to Belgium.)	211
Dec. 3 (5)	<i>From the Chief of the American Representation on the Preparatory Commission (tel.)</i> Termination of fourth session of Preparatory Commission; information that Security Committee will meet on February 20, and Preparatory Commission on March 15, 1928.	213

MEETING OF THE SPECIAL COMMISSION FOR THE PREPARATION OF A DRAFT CONVENTION ON THE PRIVATE MANUFACTURE OF ARMS AND AMMUNITION AND OF IMPLEMENTS OF WAR, GENEVA, MARCH 14–APRIL 25, 1927

1926 Dec. 17	<i>From the Secretary General of the League of Nations</i> Invitation to the United States to appoint a representative to sit on the Special Commission created by the League Council to meet in Geneva, March 14, 1927, for consideration and preparation of a final draft convention on the private manufacture of arms and ammunition and of implements of war, which might serve as a basis for an international conference.	213
1927 Feb. 23 (21)	<i>To the Chargé in Switzerland (tel.)</i> Communication for League (text printed), accepting invitation, indicating willingness to enter into an international agreement for the publication of statistics on government and private manufacture of arms and ammunition, and advising that Mr. Hugh S. Gibson will represent the United States.	215

MEETING OF THE SPECIAL COMMISSION FOR THE PREPARATION OF A DRAFT CONVENTION ON THE PRIVATE MANUFACTURE OF ARMS AND AMMUNITION AND OF IMPLEMENTS OF WAR, GENEVA, MARCH 14-APRIL 25, 1927—Continued

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1927 Feb. 28 (598)	<i>To the Minister in Switzerland</i> Notification of appointment to Special Commission; detailed information as to U. S. disapproval of impractical proposals to control or supervise private arms manufacture; instructions to advise Commission of willingness to conclude a convention for the publication of statistics concerning private and government arms manufacture; belief that such an agreement, in addition to a convention to regulate traffic in arms, would be effective; further instructions to offer no objection if other powers wish to recommend a more elaborate convention, but to express U. S. right to abstain from adherence or to adhere with reservations. (Texts printed of three accompanying memoranda covering comments on preliminary draft convention, categories and statistics of proposed convention, and methods of supplying needs for military equipment.)	216
Mar. 15 (177)	<i>From the Minister in Switzerland (tel.)</i> Divided opinions of Commission members as to opposition or support to U. S. principle of publicity for both private and government manufacture; appointment of subcommittee to study all views in attempt to reconcile them.	234
Apr. 21 (248)	<i>From the Minister in Switzerland (tel.)</i> Information that delegate did not attend latest meeting of drafting committee because chairman indicated that American condition regarding publicity for governmental manufacture could not be met, but that U. S. delegate has recorded views in memorandum to chairman; belief that since other delegations are quite evenly divided, matter will be referred to June session of Council.	235

STATUS OF TREATIES CONCLUDED AT THE WASHINGTON CONFERENCE ON THE LIMITATION OF ARMAMENT, AND OF CERTAIN RESOLUTIONS ADOPTED BY THAT CONFERENCE

1927 May 12 (D i p . Ser. 601)	<i>To Diplomatic and Consular Officers</i> Summary of status of treaties concluded at the Washington Conference on the Limitation of Armament, as regards ratification by signatory powers and adherences by nonsignatory powers; also, status of certain resolutions adopted by Conference which might be adhered to by nonparticipating powers.	236
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AMERICAN REPRESENTATION AT THE WORLD ECONOMIC CONFERENCE, GENEVA, MAY 4-23, 1927

1926 Dec. 23 (1055) (L. N. 841)	<i>From the Chargé in Switzerland</i> League invitation to United States to participate in International Economic Conference at Geneva, May 4, 1927.	238
1927 Feb. 7 (11)	<i>To the Chargé in Switzerland (tel.)</i> President's recommendation to Congress in message of February 5 (excerpt printed) that the United States participate in Conference.	238

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1927 Feb. 8	<i>Memorandum by Mr. Wallace McClure, Assistant to the Economic Adviser</i> Conversation with Congressman Cordell Hull, February 7, in which Mr. Hull expressed hearty interest in a discussion by the Conference of a general reduction of import duties and equality of treatment in commercial matters.	239
June 10	<i>From the Chairman of the American Delegation to the International Economic Conference</i> Report on the work of the Conference, and annexed list of personnel of the American delegation (texts printed); conclusion that Conference has pointed ways for the removal or modification of obstacles to the natural flow of international trade, and for the lowering of costs of production.	240

INTERNATIONAL CONFERENCE FOR THE ABOLITION OF IMPORT AND EXPORT
PROHIBITIONS AND RESTRICTIONS, GENEVA, OCTOBER 17—NOVEMBER 8, 1927

1927 June 14	<i>From the Consul at Geneva (tel.)</i> Decision of League to invite all countries which participated in International Economic Conference to attend Diplomatic Conference for the Abolition of Import and Export Prohibitions and Restrictions at Geneva, October 17.	246
July 15 (60)	<i>To the Minister in Switzerland (tel.)</i> Inquiry whether an invitation to the Conference has been received.	247
July 16 (58)	<i>From the Minister in Switzerland (tel.)</i> Information that an invitation was contained in League's circular letter No. 29, April 2, transmitted to Department by the Legation on April 13; and that the League, in a communication of June 27 which was forwarded by the Legation on June 28, requested to be advised whether the United States would participate.	247
July 22 (61)	<i>To the Minister in Switzerland (tel.)</i> Instructions to advise Secretariat, in reply to communication of June 27, that the United States cannot consider circular letter No. 29, April 2, as an invitation to any diplomatic conference, because it is a mimeographed, unsigned document, in which even the space for the name of the invited Government is left blank.	247
Aug. 4 (56) (L. N. 933)	<i>From the Minister in Switzerland</i> Transmittal of signed duplicate of League circular letter No. 29 of April 2, inviting the United States to participate in a Conference with a view to framing an international convention for abolishing import and export prohibitions and restrictions, and enclosing preliminary draft agreement drawn up by the League Economic Committee (texts printed).	248
Sept. 17 (80)	<i>To the Minister in Switzerland (tel.)</i> Communication for Secretary General of League (text printed), advising that United States accepts invitation and has designated Mr. Hugh Wilson, American Minister in Switzerland, as delegate.	254

INTERNATIONAL CONFERENCE FOR THE ABOLITION OF IMPORT AND EXPORT
PROHIBITIONS AND RESTRICTIONS, GENEVA, OCTOBER 17–NOVEMBER 8, 1927—
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1927 Oct. 6 (65)	<i>To the Minister in Switzerland</i> Notification of appointment as delegate, and communication of names of assistants; detailed instructions and comments on each of the 12 articles comprising the preliminary draft agreement; information that conclusion of a suitable agreement is desired because of consequent advantages to both American and international commerce.	254
Oct. 17 (1)	<i>To the Chief of the American Delegation (tel.)</i> Further detailed instructions, in the event that proposal is made to expand scope of draft agreement.	264
Oct. 17 (1)	<i>From the Chief of the American Delegation (tel.)</i> Information that the first two sessions of Conference were devoted to general statements.	266
Oct. 18 (4)	<i>From the Chief of the American Delegation (tel.)</i> Report of proceedings of third and fourth sessions; request for instructions as to Rumanian desire for inclusion in article 1 of a proposed statement (text printed) reserving to each state the right to establish customs duties according to its necessities; Dutch insistence on right to impose restrictions; American delegate's statement to Conference as to necessity for article 6 and intention of offering an amendment thereto.	267
Oct. 19 (5)	<i>From the Chief of the American Delegation (tel.)</i> Report of proceedings of fifth session, in which American delegate offered amendment to article 6 and introduced redraft of article 3; vigorous debate on inclusion of subparagraph (e) in American redraft of article 3.	268
Oct. 19 (5)	<i>To the Chief of the American Delegation (tel.)</i> Indication that Rumanian text reported in telegram No. 4, October 18, is unsatisfactory because it conflicts with Department's draft article regarding export duties.	269
Oct. 19 (8)	<i>From the Chief of the American Delegation (tel.)</i> Request for instructions as to Department's views on compromise text of article 3 offered by French for inclusion in final act of Conference, as a substitute for American delegate's amendment reported in telegram No. 5, October 19.	270
Oct. 20 (6)	<i>To the Chief of the American Delegation (tel.)</i> Opinion that question raised by Dutch as to level of import tariffs is outside the agenda; approval of action in regard to article 6.	271
Oct. 20 (7)	<i>To the Chief of the American Delegation (tel.)</i> Desire that article 3 be accepted in form proposed by Department, and opinion that while not objectionable, French draft is not as good as American.	272
Oct. 20 (11)	<i>From the Chief of the American Delegation (tel.)</i> Declaration by president of Conference at sixth session that discussion of details must be avoided and efforts concentrated on essence of problem; French suggestion that import and export restrictions might be considered separately; information that the day's proceedings have indicated a wide divergence in views and that American delegate cannot make any predictions.	273

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PROHIBITIONS AND RESTRICTIONS, GENEVA, OCTOBER 17–NOVEMBER 8, 1927—
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1927 [Oct. 20] (12)	<i>From the Chief of the American Delegation (tel.)</i> Extemporaneous statement to sixth session, setting forth American views on articles 4, 5, and 7 and expressing fear that, in its desire to have the maximum number of states adhere, the Conference may sanction international practices which it is convened to abolish.	274
Oct. 21 (8)	<i>To the Chief of the American Delegation (tel.)</i> Authorization to concur in French suggestion reported in telegram No. 11, October 20, if delegate thinks advisable; approval of statement reported in telegram No. 12, October 20.	275
Oct. 21 (13)	<i>From the Chief of the American Delegation (tel.)</i> Belief that satisfactory compromise (text printed) has been reached on French text mentioned in telegram No. 8, October 19.	275
Oct. 21 (14)	<i>From the Chief of the American Delegation (tel.)</i> Recommendation that Egyptian draft of article 11 be supported as being as satisfactory to the United States as can be secured; request for instructions.	276
Oct. 21 (15)	<i>From the Chief of the American Delegation (tel.)</i> Committee draft of article 1 (text printed).	277
Oct. 21 (16)	<i>From the Chief of the American Delegation (tel.)</i> Inability of delegate to do other than acquiesce in chairman's request not to insist further at the present time in matter of article 6; opinion that inclusion in final act of a general disclaimer stating that it is not the purpose of the convention to interfere in tariff measures might sufficiently safeguard U. S. rights under section 317 of the Tariff Act; request for instructions.	278
Oct. 22 (9)	<i>To the Chief of the American Delegation (tel.)</i> Acceptability of compromise regarding article 3, as outlined in telegram No. 13, October 21; instructions to support Egyptian proposal set forth in telegram No. 14, October 21.	279
Oct. 22 (17)	<i>From the Chief of the American Delegation (tel.)</i> Request for instructions as to whether the question of "standards" in article 4 may not be covered by a modification in phrasing of paragraph 7 of that article.	279
Oct. 24 (12)	<i>To the Chief of the American Delegation (tel.)</i> Acceptability of committee draft of article 1 reported in telegram No. 15, October 21; insufficiency of disclaimer unless an exception is also included in text of convention; instructions to agree tentatively to the substitute for "standards" described in telegram No. 17, October 22.	280
Nov. 4 (54)	<i>From the Chief of the American Delegation (tel.)</i> Acceptance by Conference of Rumanian reservation as to export of crude oil, American vote being only negative vote; acceptance of American exception as regards helium gas. Request for instructions as to Department attitude toward signing convention at final reading the following Saturday.	281

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1927 Nov. 4 (20)	<i>To the Chief of the American Delegation (tel.)</i> Instructions not to sign on Saturday, for reason that U. S. Government has not had sufficient time to give convention due consideration and sees no reason for rushing through a matter of such importance.	282
Nov. 22 (190) (L. N. 1010)	<i>From the Minister in Switzerland</i> Report on work of the Conference; observation that while the treaty contains many weaknesses, certain advantages will accrue to American commerce if the United States should become a signatory; recommendation that if the United States decides to sign, it do so before February 1, 1928, in order to express a definite reservation regarding helium. (Footnote: Information that the convention was signed on the part of the United States on January 30, 1928.)	282

PARTICIPATION OF THE UNITED STATES IN MEETING OF THE COMMITTEE OF EXPERTS ON DOUBLE TAXATION AND TAX EVASION, LONDON, APRIL 4–12, 1927

1927 Jan. 13 (7)	<i>From the Chargé in Switzerland (tel.)</i> Desire of Committee of Experts on Double Taxation that an American expert take part in their next meeting at London, April 4; request of League Secretariat to be informed of American expert's name, in order that invitation may be sent.	286
Feb. 17 (19)	<i>To the Chargé in Switzerland (tel.)</i> Instructions to advise Secretariat of designation of Professor Thomas S. Adams of Yale University.	286
Mar. 16	<i>Memorandum by Mr. Wallace McClure, Assistant to the Economic Adviser</i> Record of conversation of Professor Adams with Department officials, March 10, in which certain questions were discussed in connection with his mission to forthcoming meeting.	286

RADIOTELEGRAPH CONVENTION BETWEEN THE UNITED STATES AND OTHER POWERS, SIGNED NOVEMBER 25, 1927

1927 Nov. 25	<i>Convention Between the United States of America and Other Powers</i> For the regulation of radiocommunications.	288
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PROPOSED DISPOSITION OF PROPERTY HELD BY THE ALIEN PROPERTY CUSTODIAN

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1927 Nov. 29 (2382/70)	<i>From the Austrian Minister</i> Request that recommendation be made to Congress for enactment of legislation authorizing Alien Property Custodian to return Austrian property as soon as it has been ascertained that the money held in trust for the Austrian Government, plus a cash deposit sufficient to bring the total up to 2¼ million dollars, is sufficient to satisfy awards made against Austria by the Tripartite Claims Commission.	301
Dec. 10	<i>To the Chairman of the Committee on Ways and Means of the House of Representatives</i> Statement, requested by Committee, outlining the considerations involved in the question whether provision should be made for the return of Austrian and Hungarian property at the same time as provision is made for the return of German property; observation that memorandum by American agent, Tripartite Claims Commission (text printed), shows an estimate of the probable awards against Austria and Hungary in excess of the 2¼ million deposit proposed by Austria.	303

ADDITIONAL PROTOCOL BETWEEN THE UNITED STATES AND OTHER AMERICAN REPUBLICS, SIGNED OCTOBER 19, 1927, AMENDING THE PAN AMERICAN SANITARY CONVENTION OF NOVEMBER 14, 1924

1927 Oct. 19	<i>Additional Protocol Between the United States of America and Other American Republics</i> Additional protocol to the Pan American sanitary convention.	309
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CIRCULAR INSTRUCTION TO DIPLOMATIC OFFICERS AND CERTAIN CONSULAR OFFICERS CONCERNING QUESTIONS ARISING FROM THE NEGOTIATION OF FOREIGN LOANS BY AMERICAN BANKERS

1927 Dec. 28 (Dip. Ser. 681)	<i>To Diplomatic Officers and Certain Consular Officers</i> Instructions, in response to inquiries and suggestions received from diplomatic officers, as to policy to be followed in connection with the negotiation of foreign loans by American bankers.	312
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BOUNDARY DISPUTES

BOLIVIA AND PARAGUAY

1927 Feb. 9 (245)	<i>From the Minister in Paraguay</i> Acceptance by Bolivia of good offices offered by Argentina to aid in settling the Bolivian-Paraguayan boundary dispute; Minister's opinion that if Argentine good offices result in failure, Paraguay will immediately ask United States to solve the difficulty.	315
Mar. 17 (362)	<i>To the Minister in Paraguay</i> Approval of Minister's attitude in avoiding indication or comment as to possibility of U. S. willingness to enter into negotiations looking to settlement of the controversy.	316

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BOLIVIA AND PARAGUAY—continued

Date and number	Subject	Page
1927 Apr. 29 (275)	<i>From the Chargé in Argentina</i> Bolivian-Paraguayan protocol of April 22 (text printed), repeating acceptance of Argentine good offices, agreeing to appointment of plenipotentiaries to meet in Buenos Aires within 90 days after signature, and providing for appointment of an arbitral tribunal to which the matter may be submitted if the plenipotentiaries fail to reach agreement on boundary line. (Footnote: Information that the protocol was approved by the Bolivian and Paraguayan Governments on June 29.)	316
Oct. 3 (26)	<i>From the Ambassador in Argentina</i> Advice that Bolivian-Paraguayan plenipotentiaries opened conferences in Buenos Aires on September 29; indications, from press and other sources, that successful outcome of discussions is unlikely because of unyielding attitude on both sides; information that Argentine Government would probably decline to accept membership in arbitral tribunal provided in the protocol.	318
Dec. 6 (92)	<i>From the Ambassador in Argentina</i> Information that Bolivian-Paraguayan negotiations appear to have reached an impasse, and that plenary sessions have been suspended while a special committee studies various problems including possible establishment of an arbitral tribunal.	319
Dec. 19 (109)	<i>From the Ambassador in Argentina (tel.)</i> Argentine suggestion to Bolivia and Paraguay that they agree to submit the boundary matter to arbitration, that they substitute police for military in disputed territory and along frontiers, and that they sign a nonaggression pact to be effective until the difficulty is solved; Bolivian misinterpretation of suggestion as Argentine offer to mediate, and Argentine denial; Paraguayan acceptance of suggestion in principle.	321
Dec. 28 (114)	<i>From the Ambassador in Argentina</i> Resolution of Bolivian-Paraguayan conference to suspend proceedings until March 15, 1928 (text printed); information that in the interim both Governments will consider the Argentine suggestions.	322

COLOMBIA AND NICARAGUA

1927 July 28 (181)	<i>From the Minister in Nicaragua (tel.)</i> Information that Colombian Minister at Managua is ready to reopen discussions with the Nicaraguan Government concerning the San Andrés Archipelago and that, if the Department so desires, the Nicaraguan President will instruct Foreign Minister to commence preliminary negotiations with the Colombian Minister tending toward the settlement proposed by Colombia as set forth in Department's instruction No. 212, March 21, 1925.	322
Aug. 1	<i>Memorandum by the Assistant Secretary of State</i> Conversation with the Colombian Minister concerning the Colombian-Nicaraguan territorial dispute, as well as U. S. claim to ownership of Quita Sueño, Roncador, and Serranilla Keys.	323

BOUNDARY DISPUTES—Continued
COLOMBIA AND NICARAGUA—continued

Date and number	Subject	Page
1927 Aug. 2	<i>Memorandum by the Assistant Secretary of State</i> Conversation in which the Colombian Minister submitted a memorandum outlining three possible formulas for settlement of the territorial questions.	325
Undated [Rec'd Aug. 2]	<i>From the Colombian Legation</i> Outline of three possible formulas for settlement of the territorial questions.	328
Aug. 31 (464)	<i>From the Minister in Nicaragua</i> Desire of Nicaraguan President and American Legation that Department indicate whether it still considers advisable a settlement such as outlined in instruction No. 212 of March 21, 1925, or whether any additional representations and points might be brought up in negotiations.	329
Sept. 13 (241)	<i>From the Chargé in Nicaragua (tel.)</i> Inquiry whether Department is now ready to make any suggestion to Nicaraguan Government concerning the San Andrés Archipelago question.	329
Sept. 14 (141)	<i>To the Chargé in Nicaragua (tel.)</i> Information that Department is giving serious consideration to the question and will forward instructions in the near future.	330
Oct. 4 (260)	<i>From the Chargé in Nicaragua (tel.)</i> Request by Nicaraguan President that Chargé ascertain when the Department will be ready to express an opinion on the San Andrés Archipelago question.	330
Oct. 6 (151)	<i>To the Chargé in Nicaragua (tel.)</i> Information that instructions have been delayed because of necessity to await reply from another Department in this connection, but that it is hoped they may be sent before long.	330
Oct. 8 [270]	<i>From the Chargé in Nicaragua (tel.)</i> Information that apparently the Nicaraguan Government favors proposal by Colombian Minister at Nicaragua for a settlement leaving San Andrés Archipelago to Colombia, and the Corn Islands and Mosquito Coast to Nicaragua, but that it wishes to do nothing until it hears from the Department.	330
Nov. 11 (327)	<i>From the Chargé in Nicaragua (tel.)</i> Request by Foreign Minister that Chargé inquire again when Department will be ready to express an opinion on the San Andrés Archipelago question.	331
Nov. 11 (190)	<i>To the Chargé in Nicaragua (tel.)</i> Information that Department expects to be able to give an answer in the near future.	331

BOUNDARY DISPUTES—Continued

COLOMBIA AND PERU

Date and number	Subject	Page
1926 Dec. 30 (110)	<p><i>From the Ambassador in Peru (tel.)</i></p> <p>Foreign Minister's assurance to Colombian Minister in Peru that ratification of Colombian-Peruvian boundary treaty will be acted upon by Congress in January; information that American Ambassador has repeatedly urged upon the Peruvian President and Foreign Minister the advisability of prompt ratification.</p>	331
1927 Jan. 6 (1)	<p><i>To the Ambassador in Peru (tel.)</i></p> <p>Instructions to take up again with Peruvian Government the matter of ratification, particularly as there exists a danger that Colombia may sever diplomatic relations with Peru if treaty is not ratified, after the repeated promises of President Leguía.</p>	332
Jan. 12 (4)	<p><i>From the Ambassador in Peru (tel.)</i></p> <p>Information that President Leguía told Colombian Minister that he could not submit the boundary treaty to the present Congress because of the delicate situation occasioned by Tacna-Arica question, and that Colombian Minister replied that a dangerous condition of public opinion would be created in Colombia by such delay.</p>	333
June 15	<p><i>Memorandum by the Assistant Secretary of State</i></p> <p>Conversation in which the Colombian Minister referred to the continued anxiety of his Government as to Peruvian ratification of the treaty and expressed the hope that the Department would continue to use its good offices.</p>	334
Sept. 7 (39)	<p><i>From the Chargé in Peru (tel.)</i></p> <p>Intention of Chargé, unless otherwise instructed, to fulfill request of Colombian Minister in Peru that he urge ratification on Foreign Minister.</p>	335
Sept. 9 (28)	<p><i>To the Chargé in Peru (tel.)</i></p> <p>Information that Department pointed out to Peruvian Ambassador interest of U. S. Government in ratification of the Colombian treaty; authorization to interview Foreign Minister or President, at Chargé's discretion.</p>	335
Sept. 14 (811)	<p><i>From the Chargé in Peru</i></p> <p>Advice that Chargé discussed ratification with Foreign Minister and was assured that it would take place in October; opinion that while more active steps are now being taken than heretofore, matters are likely to drag on as in the past, unless it is made clear to the Peruvian Government that the United States understands that a definite assurance has been given.</p>	336
Sept. 27	<p><i>Memorandum by the Assistant Secretary of State</i></p> <p>Conversation, September 26, in which the Ecuadoran Chargé expressed concern over press reports that the United States is urging Peru to ratify the Colombian-Peruvian treaty, because Ecuador feels that this treaty is contrary to her interests and to spirit of 1916 Colombian-Ecuadoran boundary treaty; Assistant Secretary's reply that Ecuadoran-Peruvian boundary difficulty is an entirely separate matter.</p>	338

BOUNDARY DISPUTES—Continued

COLOMBIA AND PERU—continued

Date and number	Subject	Page
1927 Nov. 12 (55)	<i>From the Chargé in Peru (tel.)</i> Request for instructions as to whether or not to accede to Colombian Minister's request that Chargé inquire of Peruvian Government as to progress of the treaty and to intimate the hope that ratification will take place before adjournment of Congress on November 17; observation that such an inquiry might be used by those opposing the treaty as evidence that U. S. Government is trying to force hand of Peruvian Government.	341
Nov. 15 (44)	<i>To the Chargé in Peru (tel.)</i> Information that Department wishes in any proper way to encourage Peruvian ratification but feels confident that the assurances as to consideration of the treaty by the present Congress will not be ignored; authorization to Chargé to use his own discretion in bringing matter to Peruvian Government's attention.	342
Dec. 22 (1360)	<i>From the Colombian Minister</i> Information that the boundary treaty has been approved by Peruvian Congress; expression of appreciation for U. S. good offices.	343
Dec. 22	<i>From the Peruvian Ambassador</i> Peruvian Government's telegram (text printed), notifying that boundary treaty has been ratified.	343
1928 Jan. 3	<i>To the Colombian Minister</i> Reply to note No. 1360 of December 22, 1927, expressing gratification at Peruvian ratification and hope that Colombia and Brazil will soon settle the boundary question remaining between them.	344
Jan. 11	<i>To the Peruvian Ambassador</i> Acknowledgment of note of December 22, 1927.	344

DOMINICAN REPUBLIC AND HAITI

1927 July 30 (54)	<i>To the Chargé in Haiti</i> Instructions to keep Department informed of developments in the Dominican-Haitian boundary question, which is likely to be discussed during the forthcoming visit to Haiti of President Vasquez of the Dominican Republic.	345
Aug. 9 (574)	<i>From the Chargé in the Dominican Republic</i> Information from the Haitian Minister that the conversations of President Borno of Haiti with President Vasquez were frank and cordial, and that Minister is optimistic as to a prompt solution of the boundary question, preferably by means of direct negotiations.	345
Aug. 10 (1057, High Com- missioner's Series)	<i>From the Chargé in Haiti</i> Information that the two Presidents agreed in principle to adopt permanently the <i>status quo</i> ; Chargé's opinion that their suggested solution of certain frontier difficulties by means of exchange of territory may open up a phase which would indefinitely delay a solution of the entire matter.	346

BOUNDARY DISPUTES—Continued
DOMINICAN REPUBLIC AND HAITI—continued

Date and number	Subject	Page
1927 Sept. 28 (639)	<p><i>From the Minister in the Dominican Republic</i></p> <p>Information that President Borno suggested during President Vasquez' recent visit that the two countries sign a treaty of amity; apprehension of President Vasquez that the reported disagreement between President Borno and General Russell, American High Commissioner in Haiti, as to certain constitutional amendments may react unfavorably upon an early settlement of the boundary question.</p>	347
Oct. 5 (644)	<p><i>From the Minister in the Dominican Republic</i></p> <p>Haitian Minister's assurance to President Vasquez that there is no basis for report of disagreement between President Borno and General Russell; Haitian Minister's opinion that it would be preferable to conclude the proposed treaty of amity before entering into formal boundary negotiations, and his explanation that the proposed treaty would consist of a declaration outlawing war and a provision that if friendly negotiations should fail to settle any question between the two Governments, the question will be submitted to a "friendly third power," which would be construed as the United States, or possibly to the League of Nations.</p>	349
Oct. 8 (648)	<p><i>From the Minister in the Dominican Republic</i></p> <p>Inacceptability to Dominican Government of treaty of amity in its present form, principal objection being to the declaration outlawing war; Foreign Minister's willingness to enter into such a treaty following the settlement of the boundary question or to incorporate the amity treaty provisions in the final boundary treaty.</p>	350
Oct. 27 (187)	<p><i>To the Minister in the Dominican Republic</i></p> <p>Instructions to advise opinion as to possibility that Dominican Government might suggest to Haitian Government that boundary question be submitted to the League of Nations for arbitration.</p>	352
Nov. 10 (691)	<p><i>From the Minister in the Dominican Republic</i></p> <p>Information that Haitian efforts to effect conclusion of treaty of amity have been unsuccessful; opinion that Dominican Government does not intend to submit boundary dispute to League, and that no action will be taken on the boundary question itself prior to the forthcoming visit of President Borno to the Dominican Republic.</p>	353
Dec. 31 (747)	<p><i>From the Minister in the Dominican Republic</i></p> <p>Inauguration of informal Dominican-Haitian conversations in Santo Domingo, December 28, which it is hoped will prepare the way for formal negotiations to settle boundary question.</p>	354

STATEMENT BY THE SECRETARY OF STATE REGARDING BOLSHIEVİK AIMS AND POLICIES IN MEXICO AND LATIN AMERICA

Date and number	Subject	Page
1927 Jan. 12	<i>Statement Left by the Secretary of State With the Senate Committee on Foreign Relations</i> Discussion of Bolshevik anti-American activity in Mexico and Latin America, as evidenced in party resolutions and publications (excerpts printed). (Footnote: Information that copies of the statement were transmitted to diplomatic officers in Latin America in a circular instruction, January 27.)	356

REPRESENTATION OF THE UNITED STATES AT THE MEETING OF THE INTERNATIONAL COMMISSION OF JURISTS, HELD AT RIO DE JANEIRO, APRIL 18-MAY 20, 1927

1927 Mar. 15	<i>To Dr. James Brown Scott</i> General instructions with regard to duties as a U. S. delegate to the International Commission of Jurists which will meet in Rio de Janeiro in April to study the codification of American public and private international law. (Footnote: Information that an identical instruction was addressed to the other American delegate, Dr. Jesse S. Reeves.)	364
May 11 (17)	<i>To the Ambassador in Brazil (tel.)</i> Instructions to ascertain whether Dr. Scott is accurately quoted in press report from Rio de Janeiro (text printed) which states that he announced to Conference that U. S. Secretary of State would propose a convention creating an inter-American arbitration tribunal for the settlement of questions otherwise insoluble; information that the Secretary does not wish to make such a recommendation on his own initiative at this time, and that his instructions to the delegates requested that they take no position on any question which might be construed as committing the U. S. Government in any way whatsoever.	367
May 12 (22)	<i>From the Ambassador in Brazil (tel.)</i> Communication from Messrs. Scott and Reeves, stating that while they have given notice of intention to introduce a plan for "arbitrary settlement based wholly on convention of February 7, 1923, establishing a Central American tribunal," they have not yet done so, but intend to introduce plan in forthcoming plenary session, having already arranged with Commission's President that neither discussion nor vote will take place, except possible reference to Sixth Pan American Conference.	368
May 13 (18)	<i>To the Ambassador in Brazil (tel.)</i> Communication for Messrs. Scott and Reeves (text printed), instructing them to refrain from introducing the plan for the reason that U. S. Government would be involved in an implied commitment to a plan which it has had no opportunity to examine and would thereby be limited in its freedom of action at the forthcoming Pan American Conference.	369
May 14 (24)	<i>From the Ambassador in Brazil (tel.)</i> Communication from Messrs. Scott and Reeves (text printed), stating compliance with Department's telegram of May 13.	369

REPRESENTATION OF THE UNITED STATES AT THE MEETING OF THE INTERNATIONAL COMMISSION OF JURISTS, HELD AT RIO DE JANEIRO, APRIL 18—MAY 20, 1927—Continued

Date and number	Subject	Page
1927 June 10	<i>From the Delegates of the United States to the International Commission of Jurists</i> Report on procedure and labors of Commission, resulting in a recommendation for 12 projects of public international law and a convention of private international law to be transmitted to the next Pan American Conference; annexed statements by Dr. Scott, to plenary session, May 6, of intention to propose establishment of a Permanent Inter-American Arbitration Tribunal, and to subcommission on public international law, May 19, of decision not to present question (texts printed).	369

REPLY BY THE DEPARTMENT OF STATE TO QUESTIONNAIRES ON INTERNATIONAL LAW SUBMITTED BY THE LEAGUE OF NATIONS

1927 Aug. 17 (489)	<i>From the British Ambassador</i> Information that British Government, in reply to a League circular letter of June 7 (excerpt printed), has stated that the proposed revision of classification of diplomatic agents is not considered desirable; belief that U. S. Government will reply in like terms.	410
Dec. 16	<i>To the British Ambassador</i> Advice that the U. S. Government concurs in British view and will inform the League of its disapproval of the proposed revision.	411
Dec. 16 (99)	<i>To the Minister in Switzerland (tel.)</i> Communication for Secretary General of the League (text printed), disapproving proposals for (1) convention for communication of judicial and extrajudicial acts in penal matters and letters rogatory in penal matters, (2) convention to define legal position and functions of consuls, and (3) revision of classification of diplomatic agents, but approving proposal for a convention concerning competence of the courts in regard to foreign states.	411

OPINION OF THE DEPARTMENT OF STATE ON STATUS OF LEAGUE OF NATIONS OFFICIALS IN THE UNITED STATES

1927 Sept. 28	<i>From the Acting Counselor of the British Embassy to the Chief of the Division of Western European Affairs</i> Inquiry as to privileges accorded to officials of the League of Nations in the United States; understanding that in some instances diplomatic visas are granted.	413
Nov. 7	<i>From the Chief of the Division of Western European Affairs to the Acting Counselor of the British Embassy</i> Information that a League official would customarily be given a diplomatic visa on the basis of his diplomatic passport, but that no assurance can be given that such a visa would entitle the holder to the privileges and immunities conferred upon diplomatic officers of foreign missions by U. S. law.	414

EXEMPTIONS FROM TAXATION AND CUSTOMS DUTIES ENJOYED BY FOREIGN
DIPLOMATIC AND CONSULAR OFFICERS IN THE UNITED STATES

Date and number	Subject	Page
1927 Jan. 22	<i>To the Irish Minister</i> Information concerning exemptions from taxation and customs duties enjoyed by foreign diplomatic and consular officers in the United States.	414

RIGHT OF FOREIGN GOVERNMENTS TO ACQUIRE, WITHOUT RESTRICTION, PROP-
ERTY FOR EMBASSY OR LEGATION PURPOSES IN THE DISTRICT OF COLUMBIA

1927 Jan. 14 (1332)	<i>From the Egyptian Chargé</i> Request for information as to whether U. S. laws restrict in any way the right of foreign governments to own property.	417
Jan. 25	<i>To the Egyptian Chargé</i> Information that U. S. Government places no restrictions on the owning of property by foreign governments for Embassy or Legation purposes in the District of Columbia, and that it is exempt from general and special taxes or assessments, but that there are certain other expenses incident to the property, not in the nature of the tax, which must be paid.	417

SUITS AGAINST UNITED STATES SHIPPING BOARD VESSELS IN FOREIGN COURTS

1927 Aug. 30 (Dip. Ser. 650, G. I. Cons. 1053)	<i>To Diplomatic and Consular Officers</i> Instructions to amend previous instructions concerning suits in foreign courts against Shipping Board vessels, in view of pertinent Supreme Court decision of June 7, 1926; instructions, however, that decision does not change the Department's general policy of refraining from claiming immunity in foreign courts for U. S. Shipping Board vessels, and that no request for immunity should be made unless the Department specifically instructs that such action be taken in a particular instance.	418
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RULES OF PRECEDENCE AS BETWEEN CERTAIN OFFICERS OF THE UNITED STATES

1927 Aug. 10	<i>Executive Order No. 4705</i> Prescribing rules of precedence as between (1) Ambassadors, Ministers, and Foreign Service officers of the United States, (2) U. S. Army officers, (3) U. S. Navy and Marine officers, and (4) U. S. Foreign Commerce officers.	419
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ARGENTINA

PROPOSED TREATY OF FRIENDSHIP, COMMERCE AND CONSULAR RIGHTS BETWEEN
THE UNITED STATES AND ARGENTINA

Date and number	Subject	Page
1927 Sept. 20 (18)	<i>From the Ambassador in Argentina</i> Unwillingness of Argentina to conclude at the present time a treaty containing an unconditional most-favored-nation clause, as evidenced in Foreign Minister's note of September 8 (text printed), which requests U. S. views concerning the signing of a protocol (text printed) which would provide for denunciation, upon 6 months' notice, of the U. S.-Argentine commercial treaty of July 27, 1853.	421

EFFORTS TO SECURE FOR AMERICAN FIRMS EQUAL CONSIDERATION WITH OTHER
FOREIGN COMPANIES IN BIDS FOR ARGENTINE NAVAL CONSTRUCTION

1926 May 21 (39)	<i>From the Ambassador in Argentina (tel.)</i> Information that Argentina contemplates construction of several naval vessels, that U. S. naval attaché is following developments closely, and that Embassy is according all proper assistance to Fore River Shipbuilding Corporation's representative in the matter.	424
Sept. 9 (36)	<i>To the Ambassador in Argentina (tel.)</i> Instructions, in view of reports of strong foreign competition for submarine contracts, to request appropriate authorities to grant an equal opportunity for American firms to compete for the business.	424
Sept. 11 (63)	<i>From the Ambassador in Argentina (tel.)</i> Indications that Italy is pressing efforts to have the submarines built in that country; Argentine Foreign Minister's assurance that American bids will receive equal consideration with those of other foreign firms; intention of U. S. naval attaché to take appropriate action with the Ministry of Marine.	425
Oct. 18 (41)	<i>To the Ambassador in Argentina (tel.)</i> Understanding that Argentine Government is ready to award contracts for destroyers, submarines, and cruisers; that it is carrying on business with France, Great Britain, and Italy, exclusively; and that it does not intend to give Bethlehem Steel Co. or other American shipbuilders an opportunity to bid. Instructions to make informal but emphatic representations against the discrimination.	425
Oct. 19 (76)	<i>From the Ambassador in Argentina (tel.)</i> Information from Minister of Marine that American shipbuilders such as Fore River and Cramps are being asked for bids; intention of Ambassador to discuss Bethlehem Steel Co. matter with Foreign Minister.	426
Oct. 19 (77)	<i>From the Ambassador in Argentina (tel.)</i> Decision of Ambassador not to make further representations, unless so instructed by Department, because of information from Minister of Marine showing that American shipbuilders have submitted bids and that the Argentine mission in the United States has recently been instructed to request bids from the Bethlehem Steel Co.	426

EFFORTS TO SECURE FOR AMERICAN FIRMS EQUAL CONSIDERATION WITH OTHER
FOREIGN COMPANIES IN BIDS FOR ARGENTINE NAVAL CONSTRUCTION—
Continued

Date and number	Subject	Page
1927 Jan. 7	<i>Memorandum by the Economic Adviser of a Conversation With Mr. Hugh Knowlton of the International Acceptance Bank</i> Inquiry by American bankers as to whether Department would object to a proposed loan to Argentina for the financing of her naval construction program; bankers' willingness to stipulate that American firms have the fullest and freest opportunity to bid.	427
Jan. 14	<i>Memorandum by the Assistant Secretary of State of a Telephone Conversation With Mr. Hugh Knowlton of the International Acceptance Bank</i> Information that Assistant Secretary told Mr. Knowlton that Department will not object to proposed loan if bankers will put in writing their stipulation as to American opportunity to bid; bankers' reply that they had not been able to obtain such assurance, but that further inquiry will be made in the event there has been a misunderstanding.	428
Mar. 1 (9)	<i>To the Chargé in Argentina (tel.)</i> Opinion of Bethlehem Steel Co. that for political reasons the naval contracts will be divided among France, Great Britain, and Italy, even though the British and French bids, like the Bethlehem bids, are higher than the Italian bids; and that it still seems to be the intention to float the loan in the United States. Instructions to express to Foreign Minister the hope that an equitable share of the business will be given to American firms and to add that proposed loan flotation will be difficult unless a fair share of construction is placed in the United States.	429
Mar. 9 (11)	<i>To the Chargé in Argentina (tel.)</i> Instructions to advise present status of matter.	429
Mar. 10 (27)	<i>From the Chargé in Argentina (tel.)</i> Representations to Foreign Minister as instructed in Department's telegram No. 9, March 1; advice that no contract has yet been signed; opinion that, as Argentine Government has been informed as to U. S. attitude, no further steps can be taken at present.	430
Apr. 7 (261)	<i>From the Chargé in Argentina</i> Information that one of the primary reasons for Bethlehem Co.'s failure to reach understanding with Argentine Government is the high cost of manufacture in the United States; that Electric Boat Co. is in a stronger position than Bethlehem because an Argentine commission had previously recommended adoption of <i>Holland</i> type of submarine; advice from Foreign Minister that the matter now rests entirely with the President and Minister of Marine.	430
Apr. 15 (38)	<i>From the Chargé in Argentina (tel.)</i> Advice that no contracts have been signed as yet, but that the awards for submarines will probably go to France, sloops and flotilla leaders to Great Britain, and cruisers to Italy; Chargé's comment to Foreign Under Secretary that proposed submarine award would be contrary to Argentine commission's recommendation; information that the loan may possibly be handled by British bankers if their terms are almost as favorable as the American terms.	432

EFFORTS TO SECURE FOR AMERICAN FIRMS EQUAL CONSIDERATION WITH OTHER
FOREIGN COMPANIES IN BIDS FOR ARGENTINE NAVAL CONSTRUCTION—
Continued

Date and number	Subject	Page
1927 June 14 (2322)	<i>To the Ambassador in France</i> Report from Electric Boat Co. that it has virtually succeeded in obtaining a contract to construct three submarines for the Argentine navy, the construction to be done in a French shipyard under American patents. Instructions, should it become necessary, to assist the company's Paris representative, through informal representations to appropriate French authorities, in selecting a satisfactory yard.	432
July 28 (26)	<i>To the Chargé in Argentina (tel.)</i> Report from Electric Boat Co. that the submarine contract is about to be awarded to an Italian firm; instructions to make informal inquiry, in view of Department's understanding that decision had been made in favor of the American company.	433
Aug. 9 (70)	<i>From the Chargé in Argentina (tel.)</i> Promise of Foreign Under Secretary to inquire into the submarine matter; confidential information that contract is to be awarded to Italian firm because Board of Admirals has reversed its decision and now considers the Italian type superior to the Electric Boat Co.'s submarine; advice that as yet the contracts have not been let.	433
Aug. 18 (31)	<i>To the Chargé in Argentina (tel.)</i> Instructions to inform President of Department's sincere hope that no decision will be made until the Electric Boat Co. has had the opportunity to present evidence of the arrangements made by it in France. (Footnote: Information that the Electric Boat Co. advised, August 20, that the Argentine Government had agreed to postpone the final decision.)	434
Oct. 17 (37)	<i>From the Ambassador in Argentina</i> Report on the awards which have already been let, including contract for the three submarines to an Italian firm; explanation of the political reasons for awards to British, Italian, and Spanish firms; possibility that Bethlehem Co. will receive contract for four river gunboats, on account of their offer to assemble one boat in Argentina with Argentine workmen; opinion that American firms cannot secure the orders unless they can reduce production costs sufficiently to enable them to meet prices of European rivals.	434

AUSTRALIA

REPRESENTATIONS BY THE AUSTRALIAN GOVERNMENT REGARDING ENTRY OF
AUSTRALIAN BUSINESSMEN INTO THE UNITED STATES

Date and number	Subject	Page
1927 Jan. 14	<i>From the Commissioner for Australia</i> Desire that the privileges granted to businessmen of the United Kingdom as to entry into the United States to establish and maintain offices, be extended in like manner to citizens of Australia, possibly by extension of U. S.-British commercial treaty of 1815 to Australian citizens, or the conclusion of a special U. S.-Australian treaty for a similar purpose.	437
[Feb. 26]	<i>To the British Ambassador</i> Information that the treaty of 1815 relates only to British possessions in Europe and not to British overseas possessions, and that the provisions of the Immigration Act of 1924 relating to entry under an existing commercial treaty would not apply to a treaty concluded subsequently; assurance that Department is deeply interested and will communicate in this regard at a later date.	439
Undated [Rec'd Nov. 30]	<i>From the British Embassy</i> Desire that question of entry of Australian businessmen into the United States be reopened, and inquiry whether the question of amending the Immigration Act of 1924 to permit entry for business purposes without restriction as to length of stay, may not be brought up before the next session of Congress.	440

AUSTRIA

NEGOTIATIONS RESPECTING SUBORDINATION OF THE AUSTRIAN RELIEF LOAN TO
A PROPOSED NEW AUSTRIAN LOAN

Date and number	Subject	Page
1927 Aug. 30 (1508)	<i>From the Minister in Austria</i> Information that Austrian Government contemplates flotation of a new Federal loan for internal improvements, and that such a loan is contingent upon consent of the Austrian Control Committee, the Reparation Commission, and the states having prior liens on Austria because of relief credits; Austrian Government's desire that the competent U. S. law officers investigate in a preliminary way the question as to what action is necessary by the United States to subordinate its existing lien in the form of Austrian Relief Bond of 1920, held on account of food purchased from the U. S. Grain Corporation for relief purposes.	442
Sept. 20 (54)	<i>From the Minister in Austria (tel.)</i> Austrian Chancellor's official and urgent request for reply to the question set forth in Minister's despatch No. 1508, August 30.	444

NEGOTIATIONS RESPECTING SUBORDINATION OF THE AUSTRIAN RELIEF LOAN
TO A PROPOSED NEW AUSTRIAN LOAN—Continued

Date and number	Subject	Page
1927 Sept. 20 (1532)	<i>From the Minister in Austria</i> Further details in connection with Chancellor's request communicated in telegram No. 54, September 20; inquiry whether the U.S. Secretary of the Treasury has authority under the joint resolution of Congress of April 6, 1922, to subordinate the relief lien to a new Austrian loan, providing such new loan matures within the 25-year period prescribed in the resolution, or whether a new enabling act of Congress would be required; Austrian expectation of speedy and favorable action by Control Committee, Reparation Commission, and Relief Credit Committee composed of the relief credit states other than the United States.	444
Sept. 24	<i>To the Secretary of the Treasury</i> Transmittal of copy of Minister's despatch No. 1508, August 30, and information that a telegram has been received from the Minister communicating Chancellor's request for interpretation of the authority of the Secretary of the Treasury under the joint resolution of April 6, 1922.	447
Oct. 17 (1573)	<i>From the Minister in Austria</i> Receipt, October 14, of note from Austrian Chancellor (text printed), advising that Control Committee gave consent to the new loan on October 12, that request has been made to Reparation Commission to defer the lien placed on Austrian assets and revenues for reparation purposes under the treaty of St. Germain, and asking that the United States grant a suspension of its lien and postponement until December 31, 1937, of the payments due under relief loan.	448
Oct. 18	<i>To the Secretary of the Treasury</i> Informal inquiry by the Austrian Minister whether the Secretary of the Treasury has the power, without further congressional authority, to extend the time of relief-debt payment by Austria for an additional period of 5 years.	450
Oct. 18	<i>From Mr. R. C. Leffingwell of J. P. Morgan & Co.</i> Confirmation of telephonic advice that J. P. Morgan & Co. has accepted in principle Austrian request that it issue the portion of the new loan to be floated in the United States; decision by the Committee of Guarantor States, October 12 (text printed), consenting to the new loan, and declaration (text printed) by the Trustees of the Austrian loan of 1923, to the effect that when the negotiations are further advanced, it will be possible to consider whether loan is prejudicial to the holders of 1923 bonds.	450
Oct. 21	<i>From the Secretary of the Treasury</i> Opinion by Attorney General that the Secretary of the Treasury is not empowered under the joint resolution to extend the time of payment of the Austrian relief debt, and Secretary's conclusion, therefore, that he could not take any action without further authorization by Congress.	453
Oct. 28 (20)	<i>To the Minister in Austria (tel.)</i> Information that law officers of U. S. Government have decided that the Secretary of the Treasury has no power to act further under the joint resolution, and that a new enabling act of Congress would be necessary to enable him to take the suggested action.	454

NEGOTIATIONS RESPECTING SUBORDINATION OF THE AUSTRIAN RELIEF LOAN
TO A PROPOSED NEW AUSTRIAN LOAN—Continued

Date and number	Subject	Page
1927 Oct. 29 (1585)	<i>From the Minister in Austria</i> Advice that the Chancellor is being informed in the sense of Department's telegram No. 20, October 28; assumption that the Department will at the proper time take appropriate action to obtain a new congressional enabling act.	454
Nov. 28	<i>To the Secretary of the Treasury</i> Transmittal, for information and comment, of copy of Minister's despatch No. 1585, October 29.	455
Nov. 30 (1629)	<i>From the Minister in Austria</i> Information that Austria is on the verge of abandoning requests for postponement of payments on relief debt, leaving only to be dealt with by congressional resolution the request for release of Austrian assets pledged for payment of said debt; also, that Austria contemplates the negotiation of a general funding arrangement for the entire relief credits of the states concerned, following flotation of the new federal loan.	456
Dec. 2 (66)	<i>From the Minister in Austria (tel.)</i> Abandonment by Austria of request for postponement of relief-debt payments, leaving only its request that assets pledged for payment of the debt be subordinated to the contemplated new Federal loan.	458
Dec. 6 (2423/70)	<i>From the Austrian Minister</i> Inquiry whether the United States would be willing to enter into negotiations for the relief-debt funding, by which arrangement payments should not begin until 1943, at which time payment of the whole debt, principal and interest, should begin in 25 equal yearly installments, the installments to include an amount corresponding to the loss of interest which the creditors suffered by nonpayment of agreed-upon installments due prior to 1943.	458
Dec. 8	<i>To the Secretary of the Treasury</i> Transmittal of copy of Minister's telegram No. 66, December 2, and copy of a telegram from the Embassy in Paris, December 3, advising that Reparation Commission has postponed discussion of Austrian relief bonds and loan question until its meeting on January 14, 1928.	459
Dec. 14	<i>From Mr. R. C. Leffingwell of J. P. Morgan & Co.</i> Reminder that Austrian Government and European relief creditor states are holding discussions in London, and understanding that Austrian Government has suggested that U. S. Government might wish to be represented.	460
Dec. 14 (1656)	<i>From the Minister in Austria</i> Information concerning London meetings of International Relief Bonds Committee, December 2 and 12, at which latter meeting it was decided to transmit the Austrian relief-funding proposal to the governments represented on the Committee, and a resolution was passed, without affirmative votes by Dutch or Swiss, authorizing the subordination to the projected new federal loan for a period of 30 years of the Austrian assets pledged for the repayment of the relief credits. Advice that the next step will be the proceedings before the Reparation Commission.	460

NEGOTIATIONS RESPECTING SUBORDINATION OF THE AUSTRIAN RELIEF LOAN
TO A PROPOSED NEW AUSTRIAN LOAN—Continued

Date and number	Subject	Page
1927 Dec. 23	<p><i>To the Secretary of the Treasury</i></p> <p>Transmittal of Austrian Minister's note of December 6 and American Minister's despatch No. 1629 of November 30; belief that Department might inform the Austrian Minister, if the Secretary of the Treasury concurs, that the U. S. Government is disposed to consider the relief-debt funding proposal, but desires a more specific statement of proposal before giving any further expression of views; request for possible comment on the desirability of the U. S. Government's keeping in touch with the discussions between the Austrian and relief creditor governments.</p>	463
Dec. 23	<p><i>To Mr. R. C. Leffingwell of J. P. Morgan & Co.</i></p> <p>Nonreceipt from Austria or any of the creditor states of suggestion that the U. S. Government participate in or keep in touch with the London discussions.</p>	465
Dec. 28 (1664)	<p><i>From the Minister in Austria</i></p> <p>Further details of meetings in London, December 2 and 12, of International Relief Bonds Committee; formal funding proposal submitted to Committee by Austrian Government (text printed); Committee's resolution of December 12 consenting to release of Austrian securities to new federal loan, Committee's communication of December 20 notifying of Netherlands and Swiss consent, and Control Committee's resolution of October 12 consenting to new federal loan (texts printed).</p>	465
Dec. 28 (2531/70)	<p><i>From the Austrian Minister</i></p> <p>Request for action by the Department to arrange for recommendation to Congress of legislation authorizing the deferment for 30 years of the lien for relief credits extended to Austria; request for reply to Austrian proposal for relief-debt funding.</p>	472
Dec. 29	<p><i>From Mr. R. C. Leffingwell of J. P. Morgan & Co.</i></p> <p>Advice that London partners have been cabled to advise Austrian Minister in Great Britain of Department's letter of December 23, since it was the Minister's intention to ask if Department wished to be represented in the discussions; additional details concerning nature of the Austrian funding proposal.</p>	473
1928 Jan. 7	<p><i>To the Secretary of the Treasury</i></p> <p>Transmittal of Austrian Minister's note No. 2351/70, of December 28, 1927, and Mr. R. C. Leffingwell's letter of December 29, 1927; suggestion that, if the Secretary of the Treasury concurs, the Department might inform Austrian Minister in the sense of its letter of December 23 to the Treasury, pointing out that consideration of the proposal to defer the lien would be facilitated by the receipt of more specific information as to the relief-debt funding proposal.</p>	474

ACTION OF THE AMERICAN MINISTER IN AUSTRIA ON THE OCCASION OF THE VIENNA PALACE OF JUSTICE RIOTS

Date and number	Subject	Page
1927 July 23 (1477)	<i>From the Minister in Austria</i> Information that Minister congratulated Austrian Government upon success in restoring order after the recent riots in Vienna, and that while he received formal notice from the President of Police of the date on which interment of the police officers killed in the outbreak would be held, he consulted with his colleagues and decided not to attend the obsequies.	475
Aug. 15 (609)	<i>To the Minister in Austria</i> Approval of action reported in telegram No. 1477, July 23.	476

BOLIVIA

PROPOSED TREATY OF FRIENDSHIP, COMMERCE AND CONSULAR RIGHTS BETWEEN THE UNITED STATES AND BOLIVIA

1927 Aug. 19 (308)	<i>To the Minister in Bolivia</i> Instructions to ascertain, if the Minister perceives no objection, whether Bolivia is disposed to enter into a general treaty of friendship, commerce and consular rights providing for unconditional most-favored-nation treatment.	477
Sept. 26 (1403)	<i>From the Minister in Bolivia</i> Advice that discreet inquiry has indicated that Bolivia would not have any objections to the conclusion of a general commercial treaty, but that unsettled conditions in the Ministry of Foreign Relations and Worship due to illness of the Minister, would make negotiations inadvisable at present; intention to keep in close touch with situation and advise Department fully. (Footnote: Information that these negotiations did not result in the signing of any treaty.)	479

CANADA

ESTABLISHMENT OF DIRECT DIPLOMATIC RELATIONS BETWEEN THE UNITED STATES AND CANADA AND OF AMERICAN DIPLOMATIC REPRESENTATION IN THE IRISH FREE STATE

1926 Dec. 1 (238)	<i>To the Ambassador in Great Britain (tel.)</i> Instructions to ascertain acceptability to British Government of U. S. intention to appoint Ministers to Canada and the Irish Free State, and to inquire as to whom the Ministers will be accredited and to whom their credentials should be presented.	481
1927 Jan. 10 (1569)	<i>From the Chargé in Great Britain</i> Foreign Office note, January 6 (text printed), expressing satisfaction of His Majesty's Governments in Ottawa and Dublin at the proposed appointments, and stating that credentials should be addressed to His Majesty the King and presented to the Governors General of Canada and of the Irish Free State, respectively. (Footnote: Information that Mr. William Phillips presented his credentials as American Minister in Canada on June 1, and that Mr. Frederick A. Sterling presented his credentials as American Minister in the Irish Free State on July 27.)	481

ESTABLISHMENT OF DIRECT DIPLOMATIC RELATIONS BETWEEN THE UNITED STATES AND CANADA AND OF AMERICAN DIPLOMATIC REPRESENTATION IN THE IRISH FREE STATE—Continued

Date and number	Subject	Page
1927 Jan. 24 (49)	<p><i>From the British Ambassador</i></p> <p>Information that the appointed Canadian Minister, Mr. Vincent Massey, will arrive in Washington in February; request that the Secretary ascertain when it will be convenient for the President to receive Mr. Massey; desire of the Canadian Government that the British Ambassador accompany Mr. Massey to the White House on this occasion.</p>	482
Jan. 29	<p><i>To the British Ambassador</i></p> <p>Information that the President will receive Mr. Massey, accompanied by the Ambassador, at 3:30 p. m., February 18; expectation that arrangements will be made for Mr. Massey's presentation to the Secretary and the submittal of text of letter of credence and the remarks he proposes to make to the President; advice that the determination of whether the British Ambassador shall in the future accompany Ministers of Dominions upon presentation of their credentials shall be governed by the desire of the respective Dominion or its representative.</p> <p>(Footnote: Presentation of his credentials by Mr. Massey on February 18.)</p>	483

CONTINUED PROTESTS BY THE CANADIAN GOVERNMENT AGAINST INCREASED DIVERSION OF THE WATERS OF THE GREAT LAKES

1927 Sept. 1 (230)	<p><i>From the Canadian Chargé</i></p> <p>Continued desire of Canadian Government to publish certain correspondence relating to the diversion of water from Lake Michigan by the Sanitary District of Chicago, and advice that the report of the Joint Board of Engineers as to the actual effect of the withdrawal at Chicago has not in any way affected the Canadian Government's attitude of protest against the diversion; unwillingness to entertain U. S. suggestion for a discussion of suitable compensating works, if this course involves assumption that the present diversion is to continue.</p>	484
Oct. 17	<p><i>To the Canadian Minister</i></p> <p>Information that no objection will be raised to publication of the correspondence in question; advice that the United States is reserving further discussion and opinion as to legal issues involved in the abstraction of water from one watershed and the diversion of it into another until after the Supreme Court renders a decision on closely parallel issues now before it; belief that navigational and power problems might be adjusted by practical engineering measures pending further discussion of the principles involved.</p>	486

PROJECT FOR IMPROVEMENT OF THE ST. LAWRENCE WATERWAY BY JOINT ACTION
OF THE UNITED STATES AND CANADA

Date and number	Subject	Page
1927 Apr. 13	<i>To the Canadian Minister</i> Desire of the United States to enter into negotiations for the conclusion with Canada of a convention providing for the improvement of the St. Lawrence Waterway for navigation and power purposes.	487
July 13 (15)	<i>From the Minister in Canada</i> Note from the Prime Minister of Canada, July 12 (text printed), stating that his Government's policy as to the proposed improvements cannot be determined until after receipt of report of the National Advisory Committee of Canada, which is now studying the economic and general aspects of the question, after which the Canadian Government will be pleased to discuss the entire matter.	489

PROPOSAL THAT THE PROBLEM OF IMPROVING THE ROSEAU RIVER DRAINAGE
SYSTEM BE REFERRED TO THE INTERNATIONAL JOINT COMMISSION

1927 Feb. 26	<i>To the Canadian Minister</i> Proposal that, in view of contemplated improvements in the portion of the Roseau River lying in Manitoba Province which would aggravate the flooding of the portion of the river lying in Minnesota, the entire problem of the Roseau River drainage system be referred to the International Joint Commission for investigation, report, and recommendations.	490
Apr. 2	<i>To the Canadian Charge</i> Request for views on proposal submitted in Department's note of February 26, because of reports that action is being taken in Canada to obtain appropriations for proceeding immediately with the works of drainage and diking along the Roseau River.	491
Nov. 1 (269)	<i>From the Canadian Minister</i> Information that no decision has yet been reached concerning reference of the Roseau River matter to the International Joint Commission, because the question is still under discussion with the Province of Manitoba; advice that the improvement operations now being carried on will not prejudice the situation of the United States, nor are they believed to be contrary to the spirit or provisions of the boundary-waters treaty of 1909.	492
Dec. 12	<i>To the Canadian Minister</i> Contrary opinion that the execution of the present construction works will cause extensive damage to a large area in Minnesota and will be in violation of the spirit and provisions of the boundary-waters treaty; renewal of proposal for reference of the entire matter to International Joint Commission, and request that all construction operations on the Roseau River be suspended until the Commission has made an investigation and report.	493

REPRESENTATIONS BY CANADA AGAINST CHANGES IN BORDER CROSSING PRIVILEGES BETWEEN CANADA AND THE UNITED STATES

Date and number	Subject	Page
1927 Apr. 22	<i>From the Assistant Secretary of Labor</i> General Order No. 86 of the Department of Labor, relating to border crossing procedure for aliens residing in foreign contiguous countries and entering the United States to work or seek employment (text printed).	494
Apr. 23 (100)	<i>From the Canadian Minister</i> Apprehension over press reports of U. S. intention to make drastic changes in regulations now applicable to persons living in Canada and crossing daily to the United States to work; request that before any decision is taken or announced, an opportunity be given for a conference between representatives of the two countries.	496
May 10	<i>To the Canadian Minister</i> Information that a conference will be held at the Department on May 12.	497
Undated	<i>Memorandum by the Chief of the Visa Office of a Conference Held May 12, 1927, Regarding Canadian Border Travel Difficulties</i> Conference between Canadian and U. S. State and Labor Department officials, at which tentative agreement was reached on possible bases for a solution to ameliorate the hardships which will be brought on by the application of General Order No. 86.	497
May 28	<i>To the Canadian Minister</i> Assurance of sincere desire to maintain the traditional freedom of mutual travel between Canada and the United States as completely as the immigration laws will permit; invitation to continue studies of the situation with Department officials; information that the State and Labor Departments will do their utmost to clear away, so far as possible under existing law, all difficulties and dissatisfaction in regard to border crossing.	499
June 8 (149)	<i>From the Canadian Minister</i> Regret that the United States has not considered it possible to modify the terms of General Order No. 86; outline, for purpose of record, of Canadian Government's views on issues involved; hope that, in consequence of study of the problem by the two Governments, a mutually satisfactory arrangement may soon be reached.	502
June 13 (159)	<i>From the Canadian Minister</i> Request for interpretation by the appropriate authorities of the U. S. Government of a list of questions which may arise in the operation of General Order No. 86.	506
June 30	<i>To the Canadian Chargé</i> Replies to the questions propounded in Minister's Note No. 159, June 13.	507
Nov. 26 (281)	<i>From the Canadian Minister</i> Request that the Secretary put into effect his previous assurance of willingness to ask the Secretary of Labor to allow additional time for foreign-born Canadian citizens to secure quota visas, because of understanding that approximately 3,000 persons who have applied for such visas cannot secure them by December 1, the time limit set in General Order No. 86.	508

REPRESENTATIONS BY CANADA AGAINST CHANGES IN BORDER CROSSING PRIVILEGES BETWEEN CANADA AND THE UNITED STATES—Continued

Date and number	Subject	Page
1927 Dec. 9	<p><i>To the Canadian Minister</i></p> <p>Belief of State and Labor Departments that the situation created by General Order No. 86 has in the main largely disappeared, and that the change made in the priority status of quota commuters who were unable to obtain visas prior to December 1 will afford all needed relief in those cases.</p>	510
1926 Apr. 13	<p><i>To the British Ambassador</i></p> <p>Desire that the Canadian Government prohibit seine fishing in the Canadian waters of Missisquoi Bay, at the northern end of Lake Champlain, during the spawning season, in order to aid in conserving the Lake Champlain fishery; advice that the reestablishment of a previous Order in Council prohibiting all net fishing in Missisquoi Bay would be a source of gratification to the United States.</p>	511
June 7 (393)	<p><i>From the British Ambassador</i></p> <p>Information that, while some illegal fishing in Lake Champlain was attempted in April, the seines and other apparatus were seized and the conditions are now satisfactory; reminder that the U. S. Senate failed to approve the general regulations concerning fisheries in boundary waters, including Missisquoi Bay, which were issued by a Commission appointed under treaty of 1908; contention that the situation should be dealt with as a whole rather than that Missisquoi Bay should be considered by itself.</p>	513
1927 Mar. 1	<p><i>To the Canadian Minister</i></p> <p>Belief that the interests of both Canada and the United States require the discontinuance of seine fishing in Missisquoi Bay, independently of the solution of questions relating to fisheries in other boundary waters; request that U. S. views be communicated to the Canadian Government with the suggestion that the United States will appreciate the prohibition of seining in Missisquoi Bay, if such action is found practicable.</p>	514
Mar. 22 (53)	<p><i>From the Canadian Minister</i></p> <p>Explanation that the Provincial authorities administering Missisquoi Bay are opposed to the prohibition of a reasonable amount of seine fishing therein, although they prohibit fishing during the spawning season; reiteration of contention that the Missisquoi Bay situation should be dealt with in connection with other outstanding matters, and not by itself.</p>	515
Mar. 30	<p><i>To the Canadian Minister</i></p> <p>Regret that the Canadian Government does not deem it advisable to discontinue the issuance of licenses for seine fishing in Missisquoi Bay at the present time.</p>	516

CHILE

PROPOSED TREATY OF FRIENDSHIP, COMMERCE AND CONSULAR RIGHTS BETWEEN
THE UNITED STATES AND CHILE

Date and number	Subject	Page
1927 Aug. 19 (765)	<i>To the Ambassador in Chile</i> Instructions to ascertain whether Chile is disposed to enter into a general treaty of friendship, commerce and consular rights, providing for unconditional most-favored-nation treatment.	517
Oct. 6 (146)	<i>From the Ambassador in Chile (tel.)</i> Report that Foreign Office officials indicated the possible exception of both Bolivia and Peru from most-favored-nation treatment, and that they desire the submittal of a draft treaty on the general lines of the U. S.-German commercial treaty of December 8, 1923.	519
Oct. 14 (52)	<i>To the Ambassador in Chile (tel.)</i> Detailed instructions for preparing a draft treaty on the basis of the German treaty; advice that the Department is studying the exception of Bolivia and Peru.	520
Oct. 24 (161)	<i>From the Ambassador in Chile (tel.)</i> Request for instructions as to whether or not to present draft treaty to Foreign Office.	523
Oct. 27 (56)	<i>To the Ambassador in Chile (tel.)</i> Request for opinion whether the negotiations would be prejudiced if submittal of draft treaty were postponed until the middle of November in order that Department may give further consideration to the question of including substance of Senate reservation regarding national treatment of shipping.	523
Oct. 30 (164)	<i>From the Ambassador in Chile (tel.)</i> Opinion that postponement is desirable and will promote ultimate success.	523
Nov. 2 (788)	<i>To the Ambassador in Chile</i> Transmittal of draft treaty for presentation to Foreign Office, with explanation of the more important differences between the draft and German treaty, for information and use in discussions with Chilean officials; instructions not to present draft until Department so advises.	524

REPRESENTATIONS TO THE CHILEAN GOVERNMENT REGARDING PROPOSED LEGIS-
LATION FAVORING CHILEAN MERCANTILE MARINE

1927 Aug. 22 (109)	<i>From the Ambassador in Chile (tel.)</i> Request for specific instructions concerning Grace Line's desire that Ambassador make informal representations to Chilean Government against the injury likely to result to commercial interests by reason of a plan for preferential customs duties on importations in national vessels, now under consideration by a Chilean commission, for the purpose of promoting a national merchant marine.	526
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REPRESENTATIONS TO THE CHILEAN GOVERNMENT REGARDING PROPOSED LEGIS-
LATION FAVORING CHILEAN MERCANTILE MARINE—Continued

Date and number	Subject	Page
1927 Aug. 25 (111)	<i>From the Ambassador in Chile (tel.)</i> Synopsis of proposed shipping law, which provides for (1) repayment of Panama Canal tolls, (2) premium to shippers of nitrate in Chilean vessels, (3) 10 percent reduction in customs duties on imports in Chilean vessels, (4) loans to Chilean companies for the purchase of new vessels, (5) effective date of January 1, 1928; desire of Grace Line manager that protest be made, especially with regard to points (1) and (2); request for instructions.	527
Aug. 30 (115)	<i>From the Ambassador in Chile (tel.)</i> Information that a project of law embodying all points except point (2) has been submitted to Congress; renewal of request for instructions.	528
Aug. 31 (37)	<i>To the Ambassador in Chile (tel.)</i> Belief that objection may properly be made to point (3) and also to preferential export duties or bounties if measures such as those contemplated in point (2) are brought up again; instructions to try to dissuade Chilean Government from applying these contemplated discriminatory measures; instructions to discuss point (1), indicating that the United States would view with concern any step which would tend to substitute for the present regime of equality in the use of Canal one of special advantage; information that Department has no objections to point (4).	528
Sept. 1 (118)	<i>From the Ambassador in Chile (tel.)</i> Information that proposed law omitted point (2) because section 17 of nitrate law already empowers the President to pay bounties to producers who ship in Chilean vessels.	529
Sept. 2 (120)	<i>From the Ambassador in Chile (tel.)</i> Opinion that a possible tariff reduction under discussion, as well as the proposed shipping law, would stimulate American export trade at least until Chile purchases new ships and establishes services to Europe; assumption that in spite of this consideration, Department wishes Ambassador to comply with its telegram No. 37 of August 31.	530
Sept. 14 (41)	<i>To the Ambassador in Chile (tel.)</i> Instructions to continue efforts to dissuade Chilean Government from applying discriminatory import duties in favor of national vessels and bounties provided under section 17 of the nitrate law; request for information as to whether contemplated payments of 7 pesos per metric ton to Chilean ships for nitrate carried to the United States, Canada, and Cuba, would be made to shippers or shipowners.	531
Sept. 17 (133)	<i>From the Ambassador in Chile (tel.)</i> Issuance by the President of a decree under sections 17 and 33 of nitrate law, to become effective upon official publication, providing specific bounties for nitrate shipments, according to destination; information that the bounty is to be paid to ship and not to producer, and request that this point be corrected in telegrams Nos. 111 of August 25, and 118 of September 1.	532

REPRESENTATIONS TO THE CHILEAN GOVERNMENT REGARDING PROPOSED LEGIS-
LATION FAVORING CHILEAN MERCANTILE MARINE—Continued

Date and number	Subject	Page
1927 Sept. 20 (136)	<i>From the Ambassador in Chile (tel.)</i> Report of discussions with Chilean officials and diplomatic colleagues concerning the ship subsidy bill; opinion that before final passage, Canal tolls provision, and possibly preferential duties and bounties, will be stricken out and will be replaced by a provision for lump sum subvention to companies.	532
Sept. 21 (141)	<i>From the Ambassador in Chile (tel.)</i> Report of further representations; opinion that ship subsidy law will either be redrafted or replaced by a substitute law granting lump sum subvention or payments for maintenance service on designated routes.	533
Oct. 28 (163)	<i>From the Ambassador in Chile (tel.)</i> Synopsis of substitute ship subsidy bill, providing for (1) subventions to Chilean companies which have maintained a regular service through the Canal, (2) share by Government in profits and management, (3) loans for the purchase of new ships, (4) 10 percent increase in consular duties to cover expenses occasioned by this law, (5) effective date, January 1, 1928; opinion that new bill is unobjectionable, but request for instructions.	534
Nov. 9 (172)	<i>From the Chargé in Chile (tel.)</i> Information that Congress will convene in special session November 15 and that Chargé has renewed representations concerning effect on American interests of the proposed legislation and tariff revision.	535
Nov. 22 (62)	<i>To the Chargé in Chile (tel.)</i> Instructions to advise appropriate authorities that the enactment of shipping or tariff legislation discriminatory to American ships will eliminate the only basis on which the President is empowered to continue in suspension the U. S. law providing for a discriminatory duty of 10 percent on goods imported in foreign ships.	536
Dec. 6	<i>Memorandum by the Secretary of State</i> Conversation in which the Chilean Ambassador advised that his Government intends to abandon plan for discriminatory duties and refund of Canal tolls, and stated that if any shipping legislation is enacted, it will probably be in the nature of a straight subsidy.	537

REPRESENTATIONS TO THE CHILEAN GOVERNMENT REGARDING EFFECTS OF
PROPOSED COAL LAW ON AMERICAN INTERESTS

1927 Sept. 1 (119)	<i>From the Ambassador in Chile (tel.)</i> Receipt by Chilean Congress of a proposed law to aid the coal industry, which includes a provision for heavy increased duties on coal and crude petroleum.	537
Oct. 10 (50)	<i>To the Ambassador in Chile (tel.)</i> Instructions to make informal representations against enactment of proposed law, because the heavy progressive duty on oil will injure American copper interests in Chile.	538

REPRESENTATIONS TO THE CHILEAN GOVERNMENT REGARDING EFFECTS OF
PROPOSED COAL LAW ON AMERICAN INTERESTS—Continued

Date and number	Subject	Page
1927 Oct. 19 (151)	<i>From the Ambassador in Chile (tel.)</i> Assurance to Foreign Office by Minister of Hacienda that he will make changes in the law which will save American interests from injury.	538
Nov. 1 (58)	<i>To the Ambassador in Chile (tel.)</i> Instructions to investigate and report status of the coal bill, in view of information from American interests that Chilean Government is paying little attention to protests made by their representative in Chile, and recent approval of the measure by the Joint Committee of the Chilean Congress.	539
Nov. 2 (168)	<i>From the Ambassador in Chile (tel.)</i> Information that Chilean Government shows unwillingness to modify the proposed measure, but that Ambassador has made further representations and will take additional steps immediately.	539
Nov. 16 (176)	<i>From the Chargé in Chile (tel.)</i> Passage of coal bill by Chamber of Deputies, November 15.	540
Dec. 10 (186)	<i>From the Ambassador in Chile (tel.)</i> Continued efforts to secure modification of proposed law; understanding that, as a mark of good will, the President may be authorized to suspend or modify application of the law, if in his judgment wise; Foreign Office assurance that the entire situation will be thoroughly studied. (Footnote: Information that the coal law was signed by the President on January 9, 1928.)	540

REPRESENTATIONS TO THE CHILEAN GOVERNMENT REGARDING EFFECTS OF PRO-
POSED INSURANCE LEGISLATION ON AMERICAN INTERESTS

1927 May 5 (19)	<i>To the Ambassador in Chile (tel.)</i> Instructions to inquire of Foreign Office concerning Finance Minister's intention to nationalize insurance, thereby eliminating foreign companies, and to advise Department as to extent to which proposed measure appears to be confiscatory.	541
May 13 (64)	<i>From the Ambassador in Chile (tel.)</i> Informal representations to Foreign Minister both prior and subsequent to receipt of Department's telegram No. 19 of May 5; opinion that project does not appear to be confiscatory except in the respect that it destroys property rights by prohibiting the continuance of a business which was established in the past at considerable expense.	542
Aug. 1 (97)	<i>From the Ambassador in Chile (tel.)</i> Advice that the insurance bill, modified and made more drastic, has been sent to Congress; information that revised bill permits foreign companies now doing business in Chile to reorganize as national companies, and that section 59 imposes a heavy tax, as well as fines for failure to pay such tax, on policies taken out in foreign companies by foreign owners of property in Chile; request for instructions.	543

REPRESENTATIONS TO THE CHILEAN GOVERNMENT REGARDING EFFECTS OF
PROPOSED INSURANCE LEGISLATION ON AMERICAN INTERESTS—Continued

Date and number	Subject	Page
1927 Aug. 8 (31)	<i>To the Ambassador in Chile (tel.)</i> Belief that protest may not be made on grounds of violation of international law; suggestion that Ambassador may wish to urge the elimination of article 59 because it would interfere with free and mutually beneficial intercourse between the United States and Chile.	545
Sept. 12 (129)	<i>From the Ambassador in Chile (tel.)</i> Information that Joint Committee has sent amended bill to Chamber of Deputies; understanding that foreign companies will be permitted to function, without reorganizing as national companies, on condition that they invest in easily liquidated Chilean securities or property and pay a tax on premiums 50 percent greater than the tax paid by national companies, and that article 59 has been modified and renumbered 46; request for instructions as to possible protest against the taxation.	545
Sept. 14 (42)	<i>To the Ambassador in Chile (tel.)</i> Advice that Department can perceive no good basis for a protest.	546
Sept. 19 (135)	<i>From the Ambassador in Chile (tel.)</i> Belief of most insurance agencies that the requirement of increased deposits and heavier taxes, even though discriminatory, will be offset by a large increase in business and profits.	546
Sept. 21 (138)	<i>From the Ambassador in Chile (tel.)</i> Information that insurance bill will come before Senate when special session of Congress opens about October 6; request for instructions whether Department's attitude toward protest would be affected by the legal contention that if insurance contracts on personal property can be taxed, other contracts affecting personal property, such as mortgages and assignments, can also be taxed.	547
Sept. 27 (47)	<i>To the Ambassador in Chile (tel.)</i> Advice that no ground exists for formal protest because of lack of discrimination against American firms; authorization to urge informally that the provision be eliminated because it would interfere with business between the two countries.	547
Nov. 17 (179)	<i>From the Chargé in Chile (tel.)</i> Passage by Senate, November 16, of bill with modifications which are reported to be acceptable to foreign companies; amendment of article 46 to permit insurance of properties in Chile with local branches of foreign insurance companies, or, if the risk is unacceptable, to permit the local companies to place the insurance abroad without being subject to tax.	548
Nov. 29 (1256)	<i>From the Ambassador in Chile</i> Passage of bill by Chamber of Deputies, November 23, with minor change; information that the amendment of article 46 reported in telegram No. 179, November 17, eliminated the most harmful feature of the bill as far as the foreign companies are concerned.	548

DISAGREEMENT OF THE DEPARTMENT OF STATE WITH DECISION OF A CHILEAN COURT THAT A DIPLOMATIC SECRETARY DOES NOT ENJOY DIPLOMATIC IMMUNITY

Date and number	Subject	Page
1926 Nov. 22 (962)	<p><i>From the Chargé in Chile</i></p> <p>Decision by the Santiago Court of Appeals, September 24 (text printed), holding that a secretary of the Brazilian Embassy in Santiago was subject to jurisdiction of the Chilean courts in a criminal case, and that he might be arrested and imprisoned for his criminal acts committed in Chilean territory; information that, although the decision remains without practical effect because the secretary was recalled shortly after the case began, the diplomatic corps feels that a dangerous precedent has been set which should not go unchallenged.</p>	549
1927 Jan. 8 (699)	<p><i>To the Ambassador in Chile</i></p> <p>Belief that U. S. Government need not make a special protest against the precedent set by the case; authorization, however, to express concurrence if diplomatic corps decides to make a joint protest against this action as being a violation of international law.</p>	551

GENERAL

THREE-POWER CONFERENCE AT GENEVA FOR THE LIMITATION OF NAVAL ARMAMENT, JUNE 20-AUGUST 4, 1927¹

500.A15 a 1/- : Telegram

*The Secretary of State to the Ambassador in France (Herrick)*²

[Paraphrase]

WASHINGTON, *February 3, 1927—4 p. m.*

24. The Department's telegram No. 25 will transmit to you the text of a memorandum which you are desired to present on Thursday, February 10, to the Government of France. It is also to be presented to the Governments of Great Britain, Italy, and Japan. The Department will also transmit, in its telegram No. 26, the text of a message which President Coolidge proposes addressing to Congress at noon, Eastern Standard Time, on Thursday, February 10. Since the Department will make public the full text immediately after the message has been delivered to Congress, it is important for advance arrangements to be made by you to deliver to the Foreign Office this memorandum either at 4 o'clock or as close to that hour as possible. It is hoped that you will be able to give both this message and the memorandum the widest publicity. Prior to the delivery of the message, however, there should be no communication to any press representative.

KELLOGG

500.A15 a 1/a : Telegram

*The Secretary of State to the Ambassador in France (Herrick)*³

WASHINGTON, *February 3, 1927—7 p. m.*

25. Following is text of memorandum to be handed by you to the French government in accordance with Department's telegraphic instructions, Nos. 24, 26 and 27:

¹The records of the Conference are printed in Senate Document No. 55, 70th Cong., 1st sess., *Records of the Conference for the Limitation of Naval Armament, Held at Geneva, Switzerland, from June 20 to August 4, 1927* (Washington, Government Printing Office, 1928).

²The same, *mutatis mutandis*, to the Embassies in Great Britain (No. 20) and Italy (No. 7). A similar telegram was sent to the Embassy in Japan (No. 11).

³See last paragraph for instructions to repeat text of memorandum to Embassies in Great Britain (No. 21) and Italy (No. 8). The same telegram, *mutatis mutandis*, with exception of last paragraph, was sent to the Embassy in Japan (No. 12).

The American Government has followed with close attention the proceedings of the Preparatory Commission for the Disarmament Conference,⁴ and, after the most careful deliberation, has concluded that it can helpfully make certain observations at this time which, it hopes, may contribute materially to the success of that Commission—a success earnestly desired by the Government and people of the United States.

The conviction that the competitive augmentation of national armaments has been one of the principal causes of international suspicion and ill-will, leading to war, is firmly held by the American Government and people. Hence, the American Government has neglected no opportunity to lend its sympathy and support to international efforts to reduce and limit armaments.

The success of the Washington Conference of 1921–22 demonstrated that other Powers were animated with a similar desire to do away with this dangerous source of international discord. The Washington Conference made a beginning, however, and it has been the continued hope of the American Government, since 1922, that the task, undertaken at Washington by the group of Naval Powers could be resumed and completed.

For this reason, the American Government was happy to observe that the efforts looking towards the holding of a general international conference for the limitation of armament, which had been in progress for several years under the auspices of the League of Nations, had reached, in December, 1925, a stage sufficiently advanced, in the opinion of the Council of the League of Nations, to warrant the establishment of the Preparatory Commission, to meet in 1926, to prepare the ground for an international conference at an early date. The American Government, pursuant to its policy of cooperation with all efforts calculated to bring about an actual limitation of armament, accepted the invitation of the Council to be represented on the Preparatory Commission. The American representatives on that Commission have endeavored to play a helpful part in its discussions, and they will continue to be guided by that policy.

The American Government believes that the discussions of the Commission have been most valuable in making clear the views of the various governments as to the problems presented, and in demonstrating the complexity and diversity of the obstacles to be overcome in the preparation and conclusion of a general agreement for the limitation of all armament.

At the same time, these very complexities and difficulties, as brought out in the Preparatory Commission, have clearly pointed out that a final solution for the problem of armament may not be immediately practicable. Indeed, at the latest meeting of the Council of the League of Nations, several distinguished statesmen, leaders in the movement for the limitation of armament, sounded a note of warning against too great optimism of immediate success.

The American Government is most anxious that concrete results in the limitation of armament may be achieved. The discussions of the Preparatory Commission have emphasized the fact that a number of governments consider that one of the chief present obstacles to

⁴ See *Foreign Relations*, 1926, vol. I, pp. 40 ff.; also, *post*, pp. 159 ff.

the general reduction and limitation of armaments lies in the interdependence of land, sea, and air armaments, and in the consequent impossibility of reducing or limiting one of these categories without dealing simultaneously with the others. On the other hand, the discussions have demonstrated even more emphatically that, should all effort to bring about the reduction or limitation of armament be conditioned upon the acceptance by all the world of a comprehensive plan covering all classes and types of armament, there would be little, if any, prospect of actual progress towards arms limitation in the near future.

The above difficulties must be frankly recognized. The American Government believes that they can be overcome and that they must be overcome, since the consequences of a failure to overcome them, and to make some definite, if only partial, agreement for the limitation of armament, would constitute a setback to the cause of international peace too great to deserve serious contemplation as a possibility.

Admitting reluctantly that the existing political situations in certain parts of the world may render the problem of universal limitation incapable of immediate solution as a whole, the American Government believes that it is entirely practicable for the nations of the world to proceed at once to the isolation and separate solution of such problems as may appear susceptible of such treatment, meanwhile continuing to give sympathetic consideration and discussion to comprehensive proposals aimed at the simultaneous limitation of land, sea, and air armaments by a general agreement when such an agreement may be warranted by existing world conditions. The American Government believes that the adoption of such a course is the duty of the governments represented on the Preparatory Commission, and that by so doing, they will ensure the achievement by the Commission and by the general conference of concrete, even though perhaps only partial results, thus facilitating progress towards the final solution of the general problem.

The American Government, as its representatives on the Preparatory Commission have repeatedly stated, feels that land and air armaments constitute essentially regional problems to be solved primarily by regional agreements. The American army and air force are at minimum strength. Agreement for land and air limitation in other regions of the world would not be dependent upon the reduction or limitation of American land and air forces. Therefore, the American Government does not feel that it can appropriately offer definite suggestions to other powers in regard to the limitation of these categories of armament.

The problem of the limitation of naval armament, while not regional in character, can be dealt with as a practical matter by measures affecting the navies of a limited group of Powers. This has been clearly established by the success of the Washington Treaty Limiting Naval Armament.⁵ The United States, as the initiator of the Washington Conference, and as one of the principal Naval Powers, has a direct interest in this question, and, being both ready and willing to

⁵ Treaty between the United States, the British Empire, France, Italy, and Japan for the limitation of naval armament, signed February 6, 1922, *Foreign Relations*, 1922, vol. I, p. 247.

enter into an agreement further limiting naval armament, feels itself privileged to indicate a course of procedure which will, in its opinion, lead to such an agreement.

The discussions over a period of six months in Geneva have been most useful in the opportunity afforded for an exchange of views as to the general problem of naval limitation and on the basis of these discussions it is felt that there is a possibility of reconciling many of the divergent views which have been expressed, in such a manner as to meet the requirements of the Naval Powers and enable them to decide upon acceptable measures of limitation.

In order to advance definitely towards a limitation agreement, the Government of the United States takes this method of addressing an inquiry to the Governments Signatories of the Washington Treaty Limiting Naval Armament as to whether they are disposed to empower their representatives at the forthcoming meeting of the Preparatory Commission to initiate negotiations looking towards an agreement providing for limitation in the classes of Naval vessels not covered by the Washington Treaty.

The American Government is not unmindful of the fact that the Preparatory Commission is not specifically charged with the duty of concluding international agreements, and that its task is primarily that of preparing the agenda for a conference to be called at a later date. Nevertheless, being sincerely desirous of the success of the Preparatory Commission, the American Government makes this suggestion in the firm belief that the conclusion at Geneva, as soon as possible, among the Powers Signatories of the Washington Treaty, of an agreement for further naval limitation, far from interfering with or detracting from the success of the Preparatory Commission's aims, would constitute a valuable contribution to the sum of achievement attributable to that Commission and would facilitate the task of the final Conference in dealing with the particularly complex problems of land and air armament, perhaps capable of solution for the present only by regional limitation agreements.

It seems probable that, under any circumstances, the final Conference will not be able to meet during this calendar year. The coming into effect of agreements reached by it might be delayed for a considerable period, for a multitude of causes. Therefore, the American Government believes that those Powers which may be able to arrive at an agreement for further naval limitation at an earlier date would not be justified in consciously postponing that agreement, and thereby opening the way for a recrudescence of a spirit of competitive naval building—a development greatly to be deplored by all governments and peoples.

The American Government feels that the general principles of the Washington Treaty offer a suitable basis for further discussion among its signatories.

Although hesitating at this time to put forward rigid proposals as regards the ratios of naval strength to be maintained by the different Powers, the American Government, for its part, is disposed to accept, in regard to those classes of vessels not covered by the Washington Treaty, an extension of the 5-5-3 ratio as regards the United States, Great Britain and Japan, and to leave to discussion at Geneva the

ratios of France and Italy, taking into full account their special conditions and requirements in regard to the types of vessels in question. Ratios for capital ships and aircraft carriers were established by that Treaty which would not be affected in any way by an agreement covering other classes of ships.

The American representatives at the forthcoming meeting at Geneva will, of course, participate fully in the discussions looking to the preparation of an agenda for a final general conference for the limitation of armament. In addition, they will have full powers to negotiate definitely regarding measures for further naval limitation, and, if they are able to reach agreement with the representatives of the other signatories of the Washington Treaty, to conclude a convention embodying such agreement, in tentative or final form, as may be found practicable.

The American Government earnestly hopes that the institution of such negotiations at Geneva may be agreeable to the Governments of the British Empire, France, Italy and Japan, and that comprehensive limitation of all types of naval armament may be brought into effect among the principal naval powers without delay.

Repeat text of memorandum only to London as Dept's. No. 21, to Rome as No. 8.

KELLOGG

500.A15 a 1/1f: Telegram

The Secretary of State to the Ambassador in Japan (MacVeagh)

[Paraphrase]

WASHINGTON, February 3, 1927—7 p. m.

14. Department's telegram 12.^o The President desires, when you present the memorandum to the Japanese Minister for Foreign Affairs, that you orally point out to him that the plan is believed to be in thorough accord with the Japanese Government's desire for further limitation of naval armament, that already there exists between the two Governments a substantial agreement in essentials, that even in minor matters between the United States and Japan there appears to be no conflict of opinion or interest, and that any minor differences can readily be adjusted.

The United States Government has avoided proposing in this memorandum any detailed plan because of the belief that representatives of the interested Governments can find an acceptable solution of their naval problems the more easily if they remain at liberty to explore as fully as possible and are not limited by rigid instructions from which receding would be difficult.

Acceptance by the Japanese Government of this proposal would particularly gratify the United States Government.

^o See footnote 3, p. 1.

You should add that this Government believes the negotiations contemplated by its memorandum, while not necessarily beginning on the date of the Preparatory Commission's convening, should be commenced as soon thereafter as may be generally agreeable to the five interested Governments.

You should say further that President Coolidge for some time has considered this matter to be urgent, but, since he did not wish to draw the Japanese Government's attention to so important a question prior to the impending funeral ceremonies of the late Emperor, he withheld action, both in Tokyo and other capitals, until the conclusion of the funeral ceremonies.

KELLOGG

500.A15 a 1/b : Telegram

*The Secretary of State to the Ambassador in France (Herrick)*⁷

WASHINGTON, February 3, 1927—8 p. m.

26. Following is text of President's proposed message,⁸ action in regard to which is outlined in Department's Nos. 24, 25 and 27:

To the Congress of the United States: Pursuant to my instructions the American Ambassadors at London, Paris, Rome, and Tokyo, will today present to the Governments of Great Britain, France, Italy, and Japan, a Memorandum suggesting that they empower their delegates at the forthcoming meeting of the Preparatory Commission for the Disarmament Conference at Geneva to negotiate and conclude at an early date an agreement further limiting naval armament, supplementing the Washington Treaty on that subject, and covering the classes of vessels not covered by that Treaty. I transmit herewith, for the information of the Congress, a copy of this Memorandum.

I wish to inform the Congress of the considerations which have moved me to take this action.

The support of all measures looking to the preservation of the peace of the world has been long established as a fundamental policy of this Government. The American Government and people are convinced that competitive armaments constitute one of the most dangerous contributing causes of international suspicion and discord and are calculated eventually to lead to war. A recognition of this fact and a desire as far as possible to remove this danger led the American Government in 1921 to call the Washington Conference.

At that time we were engaged in a great building program which, upon its completion, would have given us first place on the sea. We felt then, however, and feel now, that the policy we then advocated—

⁷ See last paragraph for instructions to repeat to Great Britain and Italy. The same, *mutatis mutandis*, with exception of last paragraph, was sent to Japan as Department's No. 13.

⁸ Communicated to Congress on February 10.

that of deliberate self-denial and limitation of naval armament by the Great Naval Powers—promised the attainment of at least one guarantee of peace, an end worthy of mutual adjustment and concession.

At the Washington Conference we found the other nations animated with the same desire as ourselves to remove naval competition from the list of possible causes of international discord. Unfortunately, however, it was not possible to reach agreements at Washington covering all classes of naval ships. The Washington Treaty provided a specific tonnage limitation upon capital ships and aircraft carriers, with certain restrictions as to size and maximum caliber of guns for other vessels. Every nation has been at complete liberty to build any number of cruisers, destroyers and submarines. Only size and armament of cruisers were limited. The Signatories of the Washington Treaty have fulfilled their obligations faithfully and there can be no doubt that that Treaty constitutes an outstanding success in its operation.

It has been the hope of the American Government, constantly expressed by the Congress since the Washington Conference, that a favorable opportunity might present itself to complete the work begun here by the conclusion of further agreements covering cruisers, destroyers, and submarines. The desirability of such an agreement has been apparent, since it was only to be expected that the spirit of competition, stifled as regards capital ships and aircraft carriers by the Washington Treaty, would, sooner or later, show itself with regard to the other vessels not limited under the Treaty. Actually, I do not believe that competitive building of these classes of ships has begun. Nevertheless, far-reaching building programs have been laid down by certain Powers and there has appeared in our own country, as well as abroad, a sentiment urging naval construction on the ground that such construction is taking place elsewhere. In such sentiments lies the germ of renewed naval competition. I am sure that all governments and all peoples would choose a system of naval limitation in preference to consciously reverting to competitive building. Therefore, in the hope of bringing about an opportunity for discussion among the principal naval Powers to ascertain whether further limitation is practicable, I have suggested to them that negotiations on this subject should begin as soon as possible.

The moment seems particularly opportune to try to secure further limitation of armament in accordance with the expressed will of the Congress. The earnest desire of the nations of the world to relieve themselves in as great a measure as possible of the burden of armaments and to avoid the dangers of competition has been shown by the establishment of the Preparatory Commission for the Disarmament Conference, which met in Geneva last May, and which is continuing its work with a view to preparing the agenda for a final general conference. For more than six months, representatives of a score or more of nations have examined from all points of view the problem of the reduction and limitation of armaments. In these discussions it was brought out very clearly that a number of nations felt that land, sea, and air armaments were interdependent and that

it would be difficult, if not impossible, to agree upon the limitation of one type of armament without simultaneously limiting the other types. The consequence to be feared is that a deadlock will be reached, should even partial progress in the reduction of armaments be conditioned upon the acceptance of some universal plan covering land, sea, and air forces together. If the prospective deadlock cannot be broken, it is probable that little progress will be made for the time being. It appears to me to be the duty of this Government, which has always advocated limitation of armaments, to endeavor to suggest some avenue by which concrete results may be achieved even though such results may be short of an ultimate ideal solution for the threefold problem of land, sea, and air armament.

Our delegates at Geneva have consistently expressed the view that under conditions as they exist in the world today the problems of land and air armaments are most susceptible of solution by regional agreements covering regions within which the land or air armaments of one country could constitute a potential threat to another country. Geographical continents have been suggested as regions appropriate for land and air limitation agreements.

The American land and air force constitute a threat to no one. They are at minimum strength; their reduction has been suggested by no one as a necessary condition precedent to general arms limitation. This reduction of our land forces has been rendered possible by our favored geographical position. I realize that the problems of armaments on land and in the air in Europe are beset with difficulties which in all justice we must recognize and, although this Government will always be ready to lend its assistance in any appropriate way to efforts on the part of European or other Governments to arrive at regional agreements limiting land and air forces, it would hesitate to make specific proposals on this subject to European nations.

The problem of the limitation of naval armament, while not regional in character or susceptible of regional treatment, has been successfully treated, in part, by an agreement among the five leading Naval Powers, and, in my opinion, can be definitely dealt with by further agreements among those Powers.

It will be a contribution to the success of the preliminary work now going on at Geneva should the Great Naval Powers there agree upon a further definite limitation of naval armament.

It is my intention that the American representatives at Geneva should continue to discuss with the representatives of the other nations there the program for a general limitation of armaments conference. If such a conference should be possible in the future, on a basis generally acceptable, this Government would, of course, be highly gratified. Pending the formulation of the plan for such a general conference, however, I believe that we should make an immediate and sincere effort to solve the problem of naval limitation, the solution of which would do much to make the efforts toward more general limitation successful.

Repeat text of message only to London as Depts. No. 22, to Rome as No. 9.

KELLOGG

500.A15 a 1/c : Telegram

The Secretary of State to the Ambassador in France (Herrick)

[Paraphrase]

WASHINGTON, February 3, 1927—9 p. m.

27. Referring to Department's telegram 25. The Department desires that, in presenting its memorandum to the French Minister for Foreign Affairs, you impress on him that this Government has tried to formulate its proposals in such a way as to make them acceptable to the Government of France. You should point out especially that the United States Government has avoided proposing any detailed plan in the memorandum, because it does not wish to preclude free discussion later of any such detailed plans which the French Government might be inclined to bring forward in its own interest. The French Government's often-expressed desire to bring about an early limitation of armament has impressed the United States Government by its sincerity. The difficulties of treating with three categories of armament simultaneously are, on the other hand, so great as to cause serious apprehension lest a deadlock prevent any real progress in the direction of the common goal. These proposals have been made by the United States Government in the hope that such an unfortunate conclusion of the Preparatory Commission's labors may be avoided. The earnest hope of the United States Government should be expressed to the Foreign Minister that his Government will agree respecting the desirability of a special effort being made to accomplish at least one type of limitation, thereby contributing to the Preparatory Commission's work and facilitating the task of the final Conference, in the calling of which the Government of France has taken the lead. As your personal opinion, you may have the chance to point out that the French Government's unconditional acceptance of this American proposal would very happily affect public opinion in this country.

You should add that the United States Government believes the negotiations contemplated by its memorandum, while not necessarily beginning on the date of the Preparatory Commission's convening, should be started at the earliest possible date thereafter as generally agreeable to the five interested Governments.

KELLOGG

500.A15 a 1/3a : Telegram

*The Secretary of State to the Ambassador in Chile (Collier)**

[Paraphrase]

WASHINGTON, February 7, 1927—1 p. m.

5. A memorandum to be presented by the Ambassadors in France, Great Britain, Italy, and Japan on Thursday, February 10, making

* See third paragraph for instructions to repeat to Argentina as Department's No. 6; a similar telegram was sent to Brazil as Department's No. 4.

certain suggestions regarding naval limitation, is given below. You are desired to present a copy thereof to the Minister for Foreign Affairs not earlier than noon, Eastern Standard Time, on Thursday.

When you present it, you should orally explain that, although for obvious reasons it is addressed only to the Washington treaty signatories, the United States Government is so appreciative of the friendly cooperation at Geneva received from the Chilean delegation that President Coolidge wishes as a matter of courtesy that the Government of Chile have the memorandum in order that it may be informed fully regarding developments which this Government hopes may lead to definite achievement as to further naval limitation.

Please repeat the foregoing, *mutatis mutandis*, and the following, as No. 6, to Buenos Aires.

[Here follows the text of the memorandum transmitted in telegram No. 25, February 3, 7 p. m., to the Ambassador in France, printed on page 1.]

KELLOGG

500.A15 a 1/22 : Telegram

The Ambassador in France (Herrick) to the Secretary of State

PARIS, February 15, 1927—7 p. m.

[Received February 15—5:25 p. m.¹⁰]

66. Briand has just handed me the French reply to your memorandum of which the following is a translation:

“The American Government has been good enough to address to the signatories of the naval convention of Washington of 1922 and, as one of them, to the French Government, a memorandum proposing to negotiate at Geneva between the five powers, without disinteresting themselves from the general work of the reduction of armaments carried on for the last 10 months by the Preparatory Commission on Disarmament, an agreement with a view to limiting from now on naval armament for the categories of vessels which are not included in the treaty of Washington.

The French Government wishes first of all to say how much it appreciates the lofty aim of the American note. The generous idealism which inspires it is in accordance with its own views. No power could be more appreciative of the noble initiative of President Coolidge than France which never ceases to give proofs of her resolutely pacific will.

It desires equally to show how much it has appreciated the friendly attention of the Federal Government in leaving its proposals flexible in an endeavor to take into account the special conditions and requirements of the continental powers. The American Government has thus shown that it is quite aware of the very clear position taken by the French Government in the question of naval disarmament. It will

¹⁰ Telegram in five sections.

therefore not be astonished to see French opinion preoccupied with its duties as a member of the League of Nations and with its moral obligations towards all the powers which form part of it.

On its part the Government of the Republic would have been happy to be able to adhere to these proposals without reserve and the entire French nation would have congratulated itself on seeing the two countries again associated in an enterprise so consistent with their common traditions. But an attentive study of the American proposals has convinced the Government of the Republic that in their present form they risk compromising the success of the task already commenced at Geneva with the active help of the representatives of the American Government.

Article 8 of the Covenant of the League of Nations has made the general limitation of armaments one of the essential duties of the League. Without doubt in 1921 the powers to whom the United States are today appealing already united their efforts to realize by themselves a limitation of naval armaments. At the time it took place the calling of the Washington Conference was fully justified, but circumstances today are different. The League of Nations has begun its task: the conclusion of an arms traffic convention, the elaboration of a convention on the private manufacture of war materials, the convocation, finally, of a Preparatory Commission with a view to the meeting of a Conference for the General Limitation of Armaments, a commission to which all the countries of the world have been invited and in which the greater part of them participate, mark so many decisive stages towards the aim fixed by the Covenant. Without doubt the American Government is not thinking of withdrawing from the task undertaken the efficient collaboration which for nearly a year its delegates have contributed; it promises, on the contrary, to continue it. But its proposal has nevertheless for practical result to divest the Preparatory Commission of an essential question which figures on its program; to constitute, on the side, a special Conference in which only a few powers should participate and whose decisions, under penalty of being vain, must at least in their principles be later recognized as valid by powers which would not have been admitted to discuss them.

To decide today, without consulting the League of Nations, [a change of] method and to seek a partial solution of the problem, in preoccupying one's self with maintaining the actual existing situation [rather] than in determining the conditions proper to ensure the security of each one, to limit communicating, [besides,] this effort to a few powers, would be both to weaken the authority of the League of Nations so essential to the peace of the world and to injure the principle of the equality of States which is at the very base of the Covenant of Geneva and to which on its part the French Government remains firmly attached.

The principle of the equality of the powers, great or small, is one of the recognized rules of the League of Nations. Technical committees have met; all the maritime powers have participated in their labors; they have pointed out the necessities for their defense. How could one admit that at the moment when the Preparatory Commission is called upon to formulate the conclusion of its discussions the five most important maritime powers should take cognizance of the question and as far as it concerns them give it a definitive solution

of a nature to prejudice the final decisions for the entire naval problems?

In fact, besides, the categories to which the new limitation should apply are those which for the majority of powers present the greatest interest. An agreement limited to a few navies could be explained for battleships; practically, they are the only ones to possess any. It is otherwise when the question of light vessels is considered. All the navies of the world have an interest in being associated with the deliberations on this important problem.

As for the French Government, which in the question of limitation of armaments is only interested from the defensive point of view, as Mr. Briand declared to Mr. Hughes on December 18, 1921,¹¹ and which in this respect must interest itself both in the protection of its coasts and in the safety of its maritime communications, its delegates at Geneva have defended and caused to prevail in the technical commissions two general principles: On the one hand, that one cannot undertake to limit naval armaments without taking into consideration the solutions proposed for land and air armaments; on the other hand, especially from the naval point of view, that the limitation of armaments can only result from the attribution to any one [*each*] power of a global tonnage that it remains free to divide according to the sense of [*sic*] its necessities.

The American proposal sets aside immediately these two principles which would have for consequence that the French Government, which has taken its stand before all the nations represented at Geneva, could only adopt it by abandonment its point of view. It would thus contradict itself while publicly recanting.

The method proposed: Would it be at least of a kind to obtain the looked-for result? The precedent of the Rome Conference in 1924 does not permit of hoping so. This Conference in fact did not succeed in having adopted by the powers not represented at Washington the principles which there had been established for battleships, still less in having them extended to the other categories of vessels. These powers would not be less mindful of their own interests the day that they were asked again to accept principles resulting from decisions which would have been decided upon without them.

This last objection has without doubt been considered by the American Government and if it has thought necessary to set it aside it is by reason of its opinion that if the problems of disarmament are not dissociated there is no hope for a practical result in the near future. The French Government thinks on the contrary that in the present state of the surveys with which the Preparatory Commission is charged the latter can, at its next session and on condition that the nations represented bring like itself a firm resolve to succeed, make the decisions which would permit the meeting, with serious [*good?*] chances of success, of the general Conference on disarmament.

The French Government having envisaged the different aspects of the American proposal, conscious of the duties imposed on it as a member of the League of Nations, fearing any undermining [of] the authority of the latter, and convinced that no durable work of peace can be built without the common consent of all the powers called, on the same grounds, to defend their rights and interests, thinks that

¹¹ *Foreign Relations*, 1922, vol. 1, p. 135.

it is at Geneva and by the Preparatory Commission itself, in which we have been so happy to see the delegates of the United States participate, that the American proposal can be effectually examined.

Paris, February 15, 1927".

HERRICK

500.A15 a 1/54

The Japanese Embassy to the Department of State

MEMORANDUM

The Japanese Government have given careful consideration to the Memorandum of the American Embassy at Tokyo, dated February 10, 1927, defining the attitude of the United States on the general problem of disarmament, and suggesting that the representatives of the five Powers Signatories of the Washington Naval Treaty, about to participate in the forthcoming session of the Preparatory Commission for the Disarmament Conference at Geneva, shall be empowered to negotiate and to conclude an agreement among those five Powers for the limitation of armament in the classes of naval vessels not covered by the Washington Treaty.

The Japanese Government fully share with the American Government the views expressed in that Memorandum on the desirability of an agreement calculated to complete the work of the Washington Conference. They cordially welcome the initiative taken by the American Government for the institution among the five Powers of negotiations looking to such desirable end. They will be happy to take part in those negotiations through their representatives invested with full powers to negotiate and to conclude an agreement on the subject.

In view, however, of the supreme importance of the problem to be discussed and determined, the Japanese Government find it essential that at least a part of the Japanese Delegation shall be specially sent from Tokyo. Considering the length of time required for the necessary preparations, as well as for the journey from Tokyo to Geneva, it will obviously be impossible for the Japanese representatives to assist at the negotiations, should that meeting be held simultaneously with or immediately after the forthcoming session of the Preparatory Disarmament Commission, which is scheduled to be opened on March 21 next. Accordingly, the Japanese Government desire that the meeting of the Powers Signatories of the Washington Naval Treaty, now suggested, shall take place on a date not earlier than June 1.

The Japanese Government are further gratified to learn that it is not the intention of the American Government at this time to put forward rigid proposals on the ratios of naval strength to be

maintained by the several Powers in the classes of vessels not covered by the Washington Treaty.

In order to ensure the success of the proposed negotiations, it seems highly important that in the matter of these conditions of the limitation of armament, all parties to the negotiations should approach the subject with an open mind, being always guided by the spirit of mutual accommodation and helpfulness consistently with the defensive requirements of each nation.

The Japanese Government confidently hope that an adjustment will be reached in a manner fair and satisfactory to each of the participating Powers and conducive to the general peace and security of the world.

[WASHINGTON,] *February 19, 1927.*

500.A15 a 1/41 : Telegram

The Ambassador in Italy (Fletcher) to the Secretary of State

[Paraphrase]

ROME, *February 21, 1927—1 p. m.*

[Received February 21—11:42 a. m.]

24. At noon today reply of Italian Government, stating that to its regret it cannot accede to proposal contained in our memorandum of February 10, was handed to me. Text will be given press here 10 p. m. today. Italian Ambassador in Washington has been instructed to give verbal explanation of reasons which underlie Italy's action.

I was told that if the President could arrange to have the great powers agree in advance that French-Italian parity established at Washington Conference on Limitation of Armament should be accepted and if provision were made that the minor Mediterranean powers and Russia should not disturb balance of naval power in Mediterranean, Italy would be disposed to reconsider her decision and to agree to attend Conference. I understand that the Ambassador is being instructed to explain this suggestion also.

FLETCHER

500.A15 a 1/43 : Telegram

The Ambassador in Italy (Fletcher) to the Secretary of State

ROME, *February 21, 1927—3 p. m.*

[Received 6 p. m.]

25. The following is a translation of the reply of the Italian Government to my memorandum of February 10th:

"The Italian Government has submitted to serious examination the memorandum handed on February 10th instant by the Ambassador of

the United States of America to the Prime Minister, Minister for Foreign Affairs.

The said memorandum explains the principles which have inspired the Washington Government in proposing that, before the contemplated International Conference for the Reduction and the Limitation of Armaments, negotiations be initiated between the five powers signatory to the treaty of Washington of 1922 for the purpose of studying the limitation of certain categories of naval armaments not covered by said treaty.

The Italian Government appreciates fully the high spirit which has guided the President of the United States of America in addressing his message to Congress on the same day in which the memorandum of the American Government was handed to the Governments of the great powers interested. The appreciation of the Italian Government has all the greater value since Italy has always associated herself with every international activity tending to establish upon a solid base the tranquillity and peace of the world.

That spirit which has guided Mr. Coolidge is, so to say, the heritage of the Italian Government and people.

Italy in fact has not only adhered to the Washington Conference but has concluded during the past 5 years more treaties of friendship and arbitration than those stipulated by any other European state. Her actual military expenses and, above all, her naval budget in which there is appropriated 300 million lire annually equal to about 13 millions of dollars for new naval construction, demonstrate clearly that the 'far-reaching building programs' alleged in the message certainly cannot refer to Italy.

The American Government proposes in its memorandum that the Italian Government empower its representative on the Preparatory Disarmament Commission to initiate negotiations at Geneva with a view to concluding agreements which, in anticipation of a global limitation of naval, land and air armaments, shall regulate naval armaments, by limiting the construction of those lesser vessels which were not contemplated in the accords of 1922.

As regards such a proposal the Government of His Majesty must above all state that, in principle and as far as concerns the continent of Europe, its point of view is that there exists an undeniable interdependence of every type of armament of every single power, and furthermore that it is not possible to adopt partial measures between only the five large naval powers.

The Italian Government thinks that the limitation of armaments, to be efficacious to the ends referred to by Mr. Coolidge, should be universal and recalls in this connection that the example of Washington was not accepted by the minor naval powers and that the Conference held at Rome in February 1924 for the extension of the principles of the Washington treaty to the powers not signatory thereto was a failure.

Then, as concerns Italy more specifically, the Italian Government believes it can invoke the same geographical reasons referred to in the message of President Coolidge. If the United States, by reason of their geographical position ('our favored geographical position') has been able to reduce land armament to the minimum, Italy by reason of its unfavorable geographical position cannot expose itself without

grave risks to a binding limitation of its maritime armaments, which are already insufficient to the needs of its defense.

Italy has, in fact, only three lines of communication with the rest of the world, three obligatory routes, through Suez, Gibraltar, and the Dardanelles, for provisioning itself.

Italy has an enormous coast development with populous cities and vital centers on the coast or a short distance from it, with two large islands, besides the Dodecanese, all of which are linked to the peninsula by lines of vital traffic.

Italy has four important colonies to protect, two of which are beyond the Suez Canal.

In fact, Italy must also consider the other nations which face on or can appear in the Mediterranean, particularly favored by their geographical position amid essential lines of communication, and which have under construction many units of various types or are elaborating naval programs of great strength.

For the reasons above stated the Government of His Majesty feels confident that the Government of the United States will take into account the reason why Italy cannot, to its regret, accede to the proposal contained in the memorandum of February 10th."

FLETCHER

500.A15 a 1/44 : Telegram

The Ambassador in Italy (Fletcher) to the Secretary of State

[Paraphrase]

ROME, February 21, 1927—5 p. m.

[Received 11:10 p. m.]

26. My 24, February 21. In handing me the Italian reply this morning and speaking for Mussolini, Under Secretary Grandi sought to impress upon me that Italo-French relations are extremely delicate. This was also referred to by Mussolini when I presented our memorandum, as I telegraphed. Unless and until Italo-French relations improve, it is evident that no effective steps can be taken in the Mediterranean toward limiting naval armaments.

Italy, according to Grandi, believes France will agree to extension to lesser craft of the Italo-French parity established at Washington and Italy, therefore, does not wish to risk the loss, at a new Conference, of the moral prestige and advantage gained at Washington. This explains the naive suggestion which the Italian Ambassador at Washington has been instructed to make to you.¹²

FLETCHER

¹² See memorandum by the Chief of the Division of Western European Affairs, February 22, p. 17.

500.A15 a 1/41 : Telegram

*The Acting Secretary of State to the Ambassador in Great Britain
(Houghton)*

[Paraphrase]

WASHINGTON, *February 21, 1927*—6 p. m.

39. The following telegram has just been received from Rome:

[Here follows the text of telegram No. 24, printed on page 14.]

Sir Esme Howard advised the Department today that British reply would be delayed several days by reason of necessity of consulting Dominions, but that our proposal was being given most sympathetic consideration.

The press reports from London indicate that both Baldwin and Chamberlain¹³ favor acceptance but that Bridgeman¹⁴ favors a flat rejection. If through any misunderstanding the British Government should decline to participate in the suggested discussions, it would be most unfortunate. Only reason for a British refusal would appear to be fear that this Government would fail, in the forthcoming discussions, to take into full consideration special position of British Navy in regard to the French and Italian naval building programs. Unless you deem the action unwise, I should like you to find immediate opportunity to talk matter over with Chamberlain personally. If you do, you should point out to the Foreign Secretary that the President has no idea of making rigid proposals or of failing to take into consideration special interests of any country. Primary object of his suggestion is to endeavor in consultation with other great naval powers to find some means for removing danger of competitive naval building. You will recall that there was no reference to reduction of naval armament in either the memorandum or the President's message to Congress. Limitation is what is sought. Should reductions in any class prove to be possible they would be welcome, but reduction would not be essential to success of type of agreement which President hopes can be formulated after full discussions among the representatives of the naval powers.

GREW

500.A15 a 1/56

*Memorandum by the Chief of the Division of Western European
Affairs (Castle)*

[WASHINGTON,] *February 22, 1927.*

THE SECRETARY: The Italian Ambassador came to my house this afternoon to read me two telegrams from Mussolini with regard to

¹³ Rt. Hon. Stanley Baldwin, British Prime Minister; and Sir Austen Chamberlain, British Secretary of State for Foreign Affairs.

¹⁴ Rt. Hon. W. C. Bridgeman, First Lord of the British Admiralty.

the Italian answer to the Memorandum on naval limitation. In these telegrams Mussolini instructed the Ambassador to see to it that the Italian answer did not create any talk in this country as to Italian militarism. He said that the whole world should understand that Italy was the most peaceful and peace-loving of nations. He said that the only reason that it was impossible to give an affirmative answer was that, although the situation between France and Italy was better than it had been it was still delicate and that Italy feared the bad feeling which might be aroused by a discussion between the two countries on the question of a parity between the two navies. Mussolini wanted us to understand, therefore, that if Italy could be assured in advance that this question would not be discussed, that the parity established at the Washington Conference would certainly be extended to the smaller ships, he would be very glad to re-examine the invitation of the United States in a most friendly spirit.

I told the Ambassador that it seemed to me that it was exactly this kind of question that must be examined by the Conference, that the United States alone could not determine it any more than we could say that the other ratios of the Washington Conference must be considered final when applied to a smaller type of vessel. I said that you perfectly understood that particular nations had particular necessities and that for this very reason the invitation had been made very general. I told him that the insistence of Italy in the note that she, at least, had no extensive naval program was naturally accepted but that the later statement that other nations had such programs was the best reason in the world why Italy should have accepted the invitation. The Ambassador said that the reference was to France and Yugoslavia. I answered that I took this for granted, that the conference would have restrained any too great zeal on the part of France, in that it would have put an end to competition; that so far as Yugoslavia was concerned I did not think the country was in any condition financially to proceed with any large naval program but that there would certainly be no incentive to push such a program if Italy had obligated itself to build no gigantic fleet. He said that this was possible but that if, in spite of an agreement between Italy and France and the others the Jugoslavs still persisted it would be very disagreeable. I told him that we knew as well as anyone that circumstances change with the years and that no agreement was so fixed that the powers making it could not get together again for reconsideration, that in the meantime the result would certainly be the cessation of a silly and costly competition.

It is perfectly clear to me that the Ambassador agrees with us and not with his Government. He took notes of what I said and will

cable Rome. He said the papers today had been inclined to blame the Italian stand and agreed with me that this was to have been expected. He said as he left that he hoped our answer might enable Rome to reconsider the question.

W[ILLIAM] R. C[ASTLE]

500.A15 a 1/45 : Telegram

The Chargé in Argentina (Cable) to the Secretary of State

BUENOS AIRES, February 22, 1927—1 p. m.

[Received 7 p. m.]

20. Your telegram number 6, February 7, 1 p. m.¹⁵ Note from Argentine Government received this morning reads as follows:

"The Ministry of Foreign Affairs has considered with the greatest interest the memorandum transmitted on the 9th instant by the Embassy of the United States and in reply it begs to state that the Argentine Government considers it preferable to await the resolution of the Commission that is studying the disarmament question in the League of Nations in whose preparatory deliberations it has collaborated and continues to collaborate by means of diplomatic delegates and of experts.

In case the said initiative should fail, the moment will then have arrived to consider whether it be convenient to study a solution of a less general character which might perhaps prove of easier realization.

On the other hand the present armaments of the Argentine Republic are of small importance and the renovations being made will not notably augment its military and naval power since it is only a matter of modernization destined [to] replace the antiquated material that has become obsolete. The expenditure needed for this modernization is moderate in comparison with the general resources of the country and the necessary funds have already been set apart for the purpose so that it does not constitute an excessive outlay or a preparation for the Argentine Government.

At the Fifth Pan American Conference at Santiago, Argentina insistently expressed her desire to celebrate agreements which would limit bellicose acquisitions in order to avert the danger of an armament contest in South America in a manner such as was achieved by the pacts of May of the year 1902 celebrated between the Argentine Republic and Chile.¹⁶

Although no favorable results were attained in practice either at the Conference of Santiago or by steps taken subsequently by the Argentine Government, the latter maintain the same favorable disposition to consider any reasonable limitation in military expenditure provided that it be compatible with the requirements of its internal and external security as by this means it will be able to dedicate a larger part of its resources to the development of the country with-

¹⁵ See footnote 9, p. 9.

¹⁶ See *Foreign Relations*, 1902, pp. 18 ff.

out forgetting at the same time that the development of these resources and the great interests which they even now signify demand in their turn adequate protection."

CABLE

500.A15 a 1/45 : Telegram

The Acting Secretary of State to the Ambassador in Chile (Collier)^{18a}

[Paraphrase]

WASHINGTON, February 24, 1927—noon.

7. Reference Department's No. 5, February 7, 1 p. m. The Department has received with surprise a "reply" from the Government of Argentina regarding the memorandum which the American Chargé delivered to it on February 10. The purpose of furnishing copies to the Governments of Argentina, Brazil, and Chile was, as you know, merely to keep them informed of events as a courtesy and no replies were expected.

If you deem it expedient and if a suitable occasion should present itself, you may advise the Minister for Foreign Affairs that Argentine reply appears to have been occasioned by some misunderstanding either on part of American Embassy or of Government of Argentina, and that the Government of the United States is not expecting replies from the Governments of either Brazil or Chile unless these Governments particularly wish to make comments.

You will not discuss this matter with any representatives of the press.

GREW

500.A15 a 1/49 : Telegram

The Ambassador in Great Britain (Houghton) to the Secretary of State

[Paraphrase]

LONDON, February 24, 1927—4 p. m.

[Received February 24—1:40 p. m.]

46. Department's No. 39, February 21, 6 p. m. This morning I happened to meet Bridgeman and told him that the American press, in part at least, had stated that he was against acceptance of our invitation to Naval Conference. He replied that it was a "damned lie" and hoped that I would take occasion to have that fact known at home. He then went on to say that he had all along been in favor of a conference; in fact, if the President had not called one, he, Bridgeman, was preparing to have one called.

^{18a} Sent also, *mutatis mutandis*, to the Embassy in Brazil as Department's No. 7. The Embassy in Argentina was informed to the same effect by telegram No. 7, Feb. 23, 7 p. m.; not printed.

He asked me if I thought that the President had in mind a conference open for free discussion and I replied that that was my belief. He then said that it was essential. He concluded our talk by saying that I must be aware that the delay in the British reply arose from the necessity of consulting the Dominions; while he did not commit himself he indicated that a favorable reply was assured.

HOUGHTON

500.A15 a 1/56

Memorandum by the Under Secretary of State (Grew)

[WASHINGTON,] February 24, 1927.

The Italian Ambassador referred to the Italian note¹⁷ declining to accept our proposal for a discussion at Geneva of naval armament limitation and read to me portions of two telegrams which he had received from Mussolini to the effect that if this Government would agree to "appuyer" the thesis of parity between Italy and France he, Mussolini, would re-examine our proposal. I said to the Ambassador that it was obviously out of the question for us to do anything of this kind, as we had very carefully abstained in our note from making any concrete suggestions concerning the relative positions of Italy and France which might give offense to one or the other and for that very reason we had left the matter entirely open and unprejudiced for discussion at the conference table. I said that we recognized Italy's particular geographic situation and that this was another reason for our avoiding any concrete proposals which might prejudice the case in advance. The Ambassador then asked me to comment on the phrase "far-reaching building programs" and asserted that this could not be taken to apply to Italy which had embarked on no such program. I replied that the phrase was not intended to apply to any individual country, but was used in a general sense. The Ambassador then said that he had been instructed by Mussolini to endeavor to avoid any comment in the American press concerning Italian militarism and he asked me if I could not say a word to the press correspondents to the effect that Italy was not a militaristic nation. I replied that I thought that any statement of this kind would come better from the Ambassador than from the Department. The Ambassador then asked me if I had any comment to make in connection with Mussolini's statement to Mr. Fletcher when he handed him the note. I said that I had no comment to make as it appeared to be similar to the instructions received by the Ambassador.

J[OSEPH] C. G[REW]

¹⁷ See telegram No. 25, Feb. 21, 3 p. m., from the Ambassador in Italy, p. 14.

500.A15 a 1/52 : Telegram

The Ambassador in Great Britain (Houghton) to the Secretary of State

[Paraphrase]

LONDON, *February 25, 1927—5 p. m.*

[Received February 25—4:55 p. m.]

48. Department's No. 39, February 21, 6 p. m. In pursuance of your instructions I saw Chamberlain this afternoon and repeated the substance of your message to him. He then asked whether I would object to asking him if the British reply were ready. I said that I would not and made the inquiry. He then handed me the draft of the British reply, as follows:¹⁸

"His Majesty's Government in Great Britain received with cordial sympathy the invitation of the Government of the United States of America to take part in a conversation at Geneva on the further limitation of naval armament.

The view of His Majesty's Government upon the special geographical position of the British Empire, the length of interimperial communications, and the necessity for the protection of its food supplies are well known and together with the special conditions and requirements of the other countries invited to participate in the conversation must be taken into account.

His Majesty's Government are nevertheless prepared to consider to what extent the principles adopted at Washington can be carried further either as regards the ratio in different classes of ships between the various powers or in other important ways. They therefore accept the invitation of the Government of the United States of America and will do their best to further the success of the proposed conversation.

They would, however, observe that the relationship of such a conversation to the proceedings of the Preparatory Commission at Geneva would require careful adjustment."

Chamberlain then said that this reply could not be made public here until February 28, 4 p. m. The delay was occasioned by delay in receiving answers from two of the Dominions, which, however, would be favorable. He wishes, therefore, that the reply be withheld from publication until the above-mentioned date. I assured him that his wishes in that regard would be strictly respected.

He then remarked that he had received communications from the British Ambassador at Washington to the effect that Italy's reply might be subject to reconsideration. It was Chamberlain's opinion that the Italian Government would not like to permit a great conference of the sort proposed to be carried on without having Italy represented on it, provided that special consideration of Italy's geographical position was assured. He thinks that if this point were

¹⁸ Draft text not paraphrased.

emphasized it might be possible again to approach the Italian Government and to obtain favorable reply, at least to extent of having an observer at the Conference. He said that it was in this way that Italy gradually pushed her way in at Locarno, and that it was only after the treaties were definitely framed that Italy desired to become a party.¹⁹ He thinks that in present instance a similar result might follow.

HOUGHTON

500.A15 a 1/85

Memorandum by the Under Secretary of State (Grew)

[WASHINGTON,] March 5, 1927.

The British and Japanese Ambassadors called separately at my request and I said to them, after discussing the matter with the President, that in spite of the refusal of France and Italy to take part in the proposed naval limitation discussions at Geneva we hoped that these conversations could at least be held by Great Britain, Japan and the United States and I inquired whether this procedure was satisfactory to their respective Governments. Both Ambassadors intimated that in their private opinion such procedure would be agreeable to their Governments, but that they would telegraph to ascertain and would let me know in due course. I said that we proposed to reply to the French and Italian notes expressing regrets that they had found it impossible to participate and expressing also the hope that they might find it possible at least to be represented by observers at the proposed conference. Both Ambassadors thought well of this procedure. Mr. Matsudaira asked me whether we had any reason to believe that either France or Italy would reconsider its refusal. I said that we have no official grounds for such a belief, but as the subject was one of vital importance I hoped that those two Powers would at least find it desirable to send observers to follow the discussions.

In informal conversation I spoke of Italy's desire for some concrete assurances in advance of the conference that Franco-Italian parity would be maintained and that also that some of the smaller naval Powers, such as Yugoslavia, Greece, et cetera, would be included in the conference. I said it was obviously impossible for us to say in advance that we would support any particular thesis in the conference and that our whole purpose has been to leave the matter absolutely open and unprejudiced for free and friendly discussion at the conference table. As regards the smaller Powers it seems to me that

¹⁹ See Great Britain, Cmd. 2764, Treaty Series No. 28 (1926), *Treaty of Mutual Guarantee between the United Kingdom, Belgium, France, Germany and Italy*, Locarno, October 16, 1925.

if the larger Powers should agree to limitation, the international fear which was the basis of all naval building would be obviated and that there would then be no purpose for the smaller powers to proceed with extensive building. If they should do so, the greater Powers would then be in a far stronger position to protest. Sir Esme Howard and Mr. Matsudaira both concurred in these views.

J[OSEPH] C. G[REW]

500.A15 a 1/72c : Telegram

The Acting Secretary of State to the Ambassador in Italy (Fletcher)

[Paraphrase]

WASHINGTON, March 5, 1927—4 p. m.

17. On March 2, in conversation with the Chief of the Division of Western European Affairs, the Japanese Ambassador expressed opinion that conversations between the Governments of the United States, Great Britain, and Japan would result in real accomplishment if it were to be understood in advance that any agreement reached should be flexible and subject to revision. The Ambassador said that his Government would be relieved to know that idea of Three-Power Conference had not been wholly given up as press reports seemed to indicate. He agreed that if three-power conversations were initiated and if France and Italy were invited to be represented in any way they found suitable (e. g., by observers) both nations might finally be brought into actual participation.

Also on March 2, the Italian Ambassador informed the Department orally that he had received a cable message from Mussolini who had noted with pleasure that there was nothing in the President's proposal to prevent Italo-French naval parity, which, he stated is a *sine qua non* for Italy. Mussolini stated further that Italy could not be limited in any class of ship, by reason of possibility that Greece, Russia, and Yugoslavia might build large fleets. He was in agreement, therefore, with his technical experts that account must be taken of "global tonnage." The Ambassador felt that Mussolini personally wished to accept the President's proposal but that his technical advisers had forced him to refuse.

The Ambassador mentioned the interdependence existing between naval, land, and air armament, and was told that no reason was apparent why such an interdependence should prevent taking up different categories singly, as limitation in any one class should simplify problem of limitation in other classes instead of making it more difficult. Regarding building programs of other nations, the Ambassador

had it pointed out to him that whatever arrangements were reached, signatory nations would, obviously, have to consult frequently, and that therefore . . . no particular crisis would be likely to arise. Self-imposed limitation should have, moreover, a calming effect; Italy's neighbors and others would be much less likely to go in for extensive building if they were relieved of fear of sudden Italian building programs. Main purpose of program of the suggested Conference was to increase mutual trust and to do away with senseless competition. The Ambassador agreed, and said he would transmit these ideas to his Government.

On March 4 the Italian Ambassador again discussed question at Department, stating that he had received impression that Japanese Government would not approve of three-power conversations and that he was glad to learn that was a mistake. He stated as his belief that there was much desire in Rome to get into the Conference and that the stumbling block was difficulty of obtaining assurances in advance in regard to parity between Italy and France. Impossibility of deciding such a question in advance of Conference was once more pointed out to him. He again expressed fear that smaller Mediterranean powers might suddenly start a building program which would be dangerous to Italy. In reply it was stated that the arrangements which might be made would be subject to revision under a contingency of that nature, and that in such a circumstance the blame for increase of armaments would, in world opinion, not lie with the great powers thereby forced to reconsider the agreement but instead would rest on the small nation which had made the reconsideration imperative. The Ambassador felt that this was a very strong point which had not been taken into consideration, and he expressed the hope that he might be able to persuade the Italian Government to reconsider its answer; he personally, he said, was now entirely in favor of the proposed Conference.

In talking with the British and Japanese Ambassadors today I said that the United States desired to proceed to hold proposed conversations on naval limitation at Geneva on three-power basis in spite of refusal of French and Italian Governments to take part therein and I requested them to ascertain if this procedure would be agreeable to the British and Japanese Governments respectively. I said also that if replies were favorable we would then reply to French and Italian notes and express hope that those two Governments might see their way to be represented at Conference at least by observers.²⁰

GREW

²⁰ Last paragraph cabled Mar. 5, 4 p. m., to Great Britain, as Department's No. 47, and to Japan as No. 19.

500.A15 a 1/79a : Telegram

*The Acting Secretary of State to the Ambassador in Great Britain
(Houghton)*

[Paraphrase]

WASHINGTON, March 8, 1927—4 p. m.

49. Department has received reports from the Embassy at Tokyo²¹ which indicate that the Japanese Government wishes to obtain some idea of British attitude towards proposal for Three-Power Naval Armament Conference before replying in regard to it. Department believes that if Japanese Government were informed of views the British hold on this subject, they would be inclined to reply favorably. You may intimate to Chamberlain, informally, that it would be most helpful were he to cause indication of above-mentioned views to be given Japanese.

GREW

500.A15 a 1/83 : Telegram

*The Ambassador in Great Britain (Houghton) to the Secretary
of State*

[Paraphrase]

LONDON, March 9, 1927—4 p. m.

[Received March 9—2:30 p. m.]

59. Department's No. 49, March 8, 4 p. m. Chamberlain is in Geneva. I saw Tyrrell,²² who showed me a copy of cable sent yesterday to British Embassy at Washington; he said a copy had been forwarded to Tokyo and would in all probability remove any doubts there in regard to British acceptance.

HOUGHTON

500.A15 a 1/86

Memorandum by the Under Secretary of State (Grew)

[WASHINGTON,] March 10, 1927.

The British Ambassador called and read to me the reply of his Government to the President's proposal for a three-Power naval limitation conference in Geneva, as follows:

"If other Powers represented at Washington Conference are unwilling to take part in new conference suggested by the President,

²¹ Not printed.²² Sir William George Tyrrell, British Permanent Under Secretary of State for Foreign Affairs.

we are still ready to join in a conference of three Powers as soon as convenient to the United States and Japanese Governments. But His Majesty's Government would welcome inclusion of France and Italy if it were still found possible.

"In the meantime discussions of Preparatory Committee must continue in order that we may see in what way we can usefully arrange conference proposed by President and how if possible that conference can be fitted in to larger questions of disarmament."

The Ambassador said that he gathered from this message that it was merely an informal reply to our informal proposal and that his Government would probably expect a formal note from us in due course conveying the proposal officially. The Ambassador said in reply to my inquiry that he thought the normal procedure, as long as the conversations had been carried on here, would be for us to address our note to him. I said that we should have to consider whether it would not be well to await the Japanese reply to our informal proposal before addressing formal notes to both Governments. The Ambassador said he fully understood this and he thought that no further step was necessary until we should have heard from Japan. I then asked the Ambassador whether he thought it would be desirable to give publicity to the British reply at once. He answered in the affirmative and said he thought it would be well to say to the press that in view of the apparent failure of the five-Power proposal the British Government was now ready to join in a conference of three Powers as soon as convenient to the United States and Japan.

J[OSEPH] C. G[REW]

500.A15 a 1/94

The Japanese Embassy to the Department of State

MEMORANDUM

The Japanese Government gladly accept the invitation of the American Government to hold a discussion at Geneva among the United States, the British Empire and Japan on the question of the limitation of naval armament. They feel that the definite adjustment of the question would be greatly facilitated, if the willing and active cooperation of France and Italy could be secured. Should it, however, be found impossible to count on such cooperation, the Japanese Government will nevertheless be ready to take part in the proposed discussion among the three Powers, and to assist in the endeavours for the furtherance of the desired end.

[WASHINGTON,] *March 11, 1927.*

500.A15 a 1/94

*The Acting Secretary of State to the Japanese Ambassador
(Matsudaira)* ²³

WASHINGTON, *March 11, 1927.*

EXCELLENCY: With reference to the Memorandum handed by the American Ambassador to the Imperial Japanese Minister for Foreign Affairs, February 10, 1927, regarding the possibility of the initiation of negotiations at Geneva concerning the limitation of naval armament between the representatives of the Powers Signatories of the Washington Treaty of 1922, my Government is pleased to learn as the result of informal conversations that the Imperial Japanese Government is willing to participate in negotiations with the United States and Great Britain.

The American Government regrets that France and Italy should have formally refused the President's invitation and shares the opinion of the Imperial Japanese Government that their presence would be most welcome at such a conference. This Government sincerely hopes, therefore, that they may decide to be represented at least in some informal manner at the conversations contemplated.

These conversations, it now appears, could most advantageously and conveniently begin at Geneva on the first day of June, or soon thereafter.

Accept [etc.]

JOSEPH C. GREW

500.A15 a 1/103d : Telegram

*The Acting Secretary of State to the Ambassador in France
(Herrick)*

WASHINGTON, *March 12, 1927—4 p. m.*

72. Please deliver as soon as possible the following memorandum concerning the proposed conference for the limitation of naval armament to the Minister of Foreign Affairs, at the same time personally urging Department's point of view:

"With reference to the Memorandum of the French Government of February 15, 1927, in reply to that of the American Government, of February 10, inquiring whether the French Government was disposed to empower its representatives at the forthcoming meeting at Geneva of the Preparatory Commission for the Disarmament Conference to enter into negotiations looking toward an agreement providing for limitation in the classes of naval vessels not covered by the Treaty of Washington of 1922, the Government of the United

²³ The same, *mutatis mutandis*, on the same date to the British Ambassador.

States has noted with pleasure that the French Government is animated by the same spirit that prompted the President of the United States upon the occasion of his Message to Congress, on the day on which the above-mentioned Memorandum of the American Government was handed to the Governments of the Powers signatory to the Washington Treaty.

With regard to the fear expressed by the French Government that such negotiations would risk compromising the success of the work of the Preparatory Commission at Geneva, the Government of the United States is of the opinion that all appropriate measures taken by the large naval Powers cannot but contribute towards facilitating the task of the Commission.

In the last paragraph of the Memorandum of the French Government the view is set forth that it is at Geneva and by the Preparatory Commission itself that the proposal of the American Government can be effectually examined. The Government of the United States desires to emphasize the fact that it proposed the initiation at Geneva of negotiations by representatives of certain powers at the forthcoming meeting of the Preparatory Commission, and is therefore of the opinion that far from undermining the authority of the League of Nations such conversations as those proposed would be of great service to that body in an advance towards the solution of a difficult problem.

The Governments of Great Britain and Japan have now acceded to the proposal of the American Government which has, therefore, decided to enter into conversations with these powers and sincerely hopes that the French Government will see its way clear to be represented in some manner in these conversations in order that it may be fully cognizant of the course of negotiations and of the agreements which may be reached.

As the French Government already knows, the American Government has no preconceived ideas regarding any definite ratio for the limitation of French tonnage. It does not desire to open up questions already settled by Treaty but wishes to point out that all other questions relative to limitation of naval armament are open and that in the projected conversations each power would have the privilege of taking any position it thought best for its own protection as a basis for negotiation.

The Government of the United States would be especially gratified by the presence of representatives of a nation holding the ideals set forth in the Memorandum of the French Government, a nation which has, in the past, been associated with the United States in efforts to further the cause of World Peace."

Inform Department promptly when this memorandum is delivered as we wish then to hand copies of the Memorandum to the British and Japanese Ambassadors here.

Repeat text of Memorandum to London and American Mission at Geneva and mail cipher text to Rome.

GREW

500.A15 a 1/103a : Telegram

The Acting Secretary of State to the Ambassador in Italy (Fletcher)

WASHINGTON, March 12, 1927—4 p. m.

18. Please deliver as soon as possible the following memorandum concerning the proposed conference for the limitation of naval armament to the Minister of Foreign Affairs, at the same time personally urging Department's point of view:

"With reference to the memorandum of the Italian Government of February 21, 1927, in reply to that of the American Government, of February 10, inquiring whether the Italian Government was disposed to empower its representatives at the forthcoming meeting at Geneva of the Preparatory Commission for the Disarmament Conference to enter into negotiations looking toward an agreement providing for limitation in the classes of naval vessels not covered by the Treaty of Washington of 1922, the Government of the United States has noted with pleasure that the Italian Government is animated by the same spirit that prompted the President of the United States upon the occasion of his Message to Congress, on the day on which the above-mentioned Memorandum of the American Government was handed to the Governments of the Powers signatory to the Washington Treaty.

With regard to the assertion of the Italian Government that there exists an interdependence of every type of armament, the American Government is nevertheless of the opinion that all appropriate measures taken by the large naval Powers in limitation of the naval branch of armament must greatly contribute in advancing the solution of the problem as a whole.

As for the statement in the Memorandum of the Italian Government that owing to geographical position and strategic considerations Italy could not expose itself without grave risks to a binding limitation of its maritime armaments, it is feared that there may exist some misapprehension regarding the terms of the proposal of the President of the United States. The American Government has no preconceived ideas regarding any definite ratio for the limitation of Italian tonnage in the classes referred to, but regards this question as one to be determined during the proposed conversations. While the American Government does not desire to open up questions already settled by treaty all other questions relative to limitation of naval armament are open and each power would have the privilege of taking any position it thought best for its own protection as a basis for negotiation. The American Government is also of the opinion that an agreement for partial limitation of armaments could expose no power to danger from the navies of the powers not included in such an understanding, since no agreement is contemplated which would not be subject to reconsideration or revision should the security of any party to it be menaced by the naval program of a nation not included in the understanding.

The Governments of Great Britain and Japan have now acceded to the proposal of the American Government, which has, therefore, decided to enter into conversations with these powers and sincerely hopes that the Italian Government will see its way clear to be repre-

sented in some manner at these conversations, in order that it may be fully cognizant of the course of negotiations and of the agreements which may be reached. The Government of the United States would, moreover, be especially gratified by the presence of the representatives of a nation holding the high ideals set forth in the Memorandum of the Italian Government, a nation which has, in the past, been associated with the United States in efforts to further the cause of World Peace."

Inform Department promptly when this is done as we wish to hand a copy of the Memorandum to the British and Japanese Ambassadors as soon as we know that it has been delivered in Rome.

Repeat text of Memorandum to London and American Mission at Geneva and mail cipher text to Paris.

GREW

500.A15 a 1/154 : Telegram

The Ambassador in France (Herrick) to the Secretary of State

PARIS, April 3, 1927—10 a. m.

[Received 12:55 p. m.²⁴]

152. The Foreign Office sent me last evening the following *note verbale* dated April 2nd:

"By its memorandum March 14th, 1927,²⁵ the American Embassy was good enough to inform the French Government of the decision taken by its Government as a result of the adherence of Great Britain and Japan to the proposals contained in the American memorandum of February 10, last, to engage in conversation with these powers.

On this occasion the American Government expresses the hope that the Government of the Republic 'will see its way clear to be represented in some manner in these conversations in order that it may be fully cognizant of the course of the negotiations and of the agreements which may be reached.' It is good enough at the same time to show the paramount value that it would attach to the presence of French delegation.

The American Government specifies on the other hand that it has no preconceived idea as to the formula that it would be proper to consider in regard to a limitation of French naval tonnage and it points out that in the proposed conversations each power will have the privilege of adopting as basis of negotiation the attitude that it judges the best for the defense of its interests.

The French Government pointed out on February 15, in its reply to the first American note, the decisive reasons for which it could not participate in the Conference proposed by the American Government for a new limitation of naval armaments.

It cannot allow either the weakening of the authority of the League of Nations, already invested with the problem of disarmament, in which naval armaments cannot be separated from land and aerial

²⁴ Telegram in two sections.

²⁵ See telegram No. 72, Mar. 12, 4 p. m., to the Ambassador in France, p. 28.

armaments, or injury to the principle of the equality of the powers to which France remains firmly attached, or the exclusion from the discussion of an essential problem of the states without whose collaboration no result can be obtained, or the abandonment of the technical principles on which alone, as the French delegates have had admitted during the preparatory discussions, it is possible to base a general limitation of armaments.

In spite of the assurances that the American Government is good enough to give [of the thought and care] which have inspired its initiative and as to the principles by which it intends to be guided, the Government of the Republic cannot see its way to modify its views towards the proposal which has been put before it. It persists in thinking that a positive participation of France in the proposed conference between the United States, Great Britain and Japan, cannot be considered.

Since the delivery of the American memorandum a new element, which imposes itself on us, has intervened: The Preparatory Commission of the Disarmament Conference has met at Geneva. From the beginning the French delegation has affirmed its thesis and presented a draft convention based on the principle of global disarmament. A large part of the Commission has shown itself favorable to it and the debates which have ensued permit of thinking that it will be largely taken into consideration in the conclusions of the Commission.

Ever since then the French Government is bound to great reserve as concerns the request of the American Government to be represented in other discussions whose promoters are inspired by entirely different principles. It is for us a question of honesty towards the League of Nations to do nothing which might allow, in the mind of the delegations which have favorably received our proposals, a doubt to arise as to the sincerity of our efforts.

The French Government, appreciative of the value that the American Government attaches to its being directly informed concerning the conversations engaged in between the three powers, preserves the greatest sympathy for the American efforts for disarmament and for peace. It would certainly have liked to be able to decide now as to the cordial invitation which has been sent it. It likes at least to think that the American Government will appreciate the reasons which make it a duty under the present circumstances to defer any decision as to the possible participation, even by a simple observer, in conversations on a limited subject touching on the question of disarmament."

HERRICK

500.A15 a 1/169

The British Ambassador (Howard) to the Secretary of State

No. 229

His Britannic Majesty's Ambassador presents his compliments to the Secretary of State, and with reference to the conversation this

morning between Mr. Kellogg and Mr. Chilton of this Embassy, has the honour to state that he is in receipt of information from His Majesty's Government to the effect that it is their understanding that the United States Government originally intended that conversations rather than a formal conference on the subject of naval disarmament should take place at Geneva between the representatives of the Powers who are now taking part in the Disarmament Preparatory Commission in that city, and that, in the event of these conversations proving fruitful of positive results, a formal conference would then take place between duly accredited representatives of the Powers concerned.

Now that any meeting has been postponed until June, however, His Majesty's Government assume that the United States Government have abandoned the proposal to conduct preliminary conversations and that proceedings will from the outset take the form of a regular conference. In this event, His Majesty's Government contemplate asking Mr. Bridgeman, the First Lord of the Admiralty, Viscount Cecil of Chelwood, and Admiral Field to act as their Plenipotentiaries at the conference.

WASHINGTON, *April 6, 1927.*

500.A15 a 1/167

The Japanese Ambassador (Matsudaira) to the Secretary of State

WASHINGTON, *April 6, 1927.*

SIR: I have the honor to acknowledge the receipt of your note dated March 11, 1927, in regard to the proposed conversations at Geneva concerning the limitation of naval armament, among the representatives of the United States, Great Britain, and Japan.

It was added that these conversations could most advantageously and conveniently begin at Geneva on the 1st day of June or soon thereafter. In this connection I have just received a telegram from my Government to the effect that the Japanese Delegation will leave Japan about the 24th of this month and are expected to arrive at Geneva by way of the Indian Ocean about the 8th June next.

In these circumstances the Japanese Government would like to have these conversations opened after the 11th of that month. I beg leave therefore to request pursuant to instructions from Tokio that you will be good enough to take steps so that the wishes of my Government in this respect may conveniently be met by all the parties concerned.

I beg to add that the names of the Japanese delegates will be communicated to you as soon as they are officially appointed.

Accept [etc.]

T. MATSUDAIRA

500.A15 a 1/165 : Telegram

The Ambassador in Japan (MacVeagh) to the Secretary of State

TOKYO, April 6, 1927—noon.

[Received April 6—10:10 a. m.]

50. Embassy's telegrams 47, April 2, noon; and 49, April 2, 9 p. m.²⁶ Minister for Foreign Affairs has informed me that in addition to Saito,²⁷ Viscount Ishii, Japanese Ambassador to France, has accepted position on delegation. These two will be principal delegates, accompanied by Saburi²⁸ as political expert and secretary to delegation, with Vice Admiral Kobayashi and Rear Admiral Hara as naval experts.

While plans not definitely settled it seems probable that delegates will leave Japan April 25th, proceeding via Suez and due Geneva early June. Full biographical data members delegation goes forward first pouch.²⁹

MACVEAGH

500.A15 a 1/182b : Telegram

The Secretary of State to the Chief of the American Delegation on the Preparatory Commission (Gibson)

[Paraphrase]

WASHINGTON, April 13, 1927—2 p. m.

116. Reported in press that Three-Power Conference will meet June 20, 1927. Department's latest advice from Great Britain and Japan was that Conference would be held as early as possible after June 11; we had assumed that would mean June 12. If definite date has been arranged please cable.

The President and I have conferred with Mr. Hughes,³⁰ but do not believe that he can attend Conference and in that event do not know of anyone else to invite. Our thought was that if Mr. Hughes was able to go, his international reputation might be of assistance to you and contribute to arriving at favorable result.

I discussed with the President and Mr. Hughes the advisability of sending over some good lawyer to help you in drafting the treaty. We thought that we might get Allen Dulles, who, as you are aware, is thoroughly conversant with all the background.

We should like to have your views. The Navy will send Admiral Schofield and some other assistants; further information on that will

²⁶ Neither printed.

²⁷ Admiral Viscount Saito, Governor General of Korea.

²⁸ Mr. Sadao Saburi, Chief of the Treaty Section, Japanese Foreign Office.

²⁹ Despatch not printed.

³⁰ Charles Evans Hughes, Secretary of State, Mar. 4, 1921–Mar. 4, 1925.

be sent you. We are very anxious, of course, for success of this Three-Power Conference.

Great Britain has notified us that her delegates will be the Rt. Hon. W. C. Bridgeman, First Lord of the Admiralty, and Viscount Cecil of Chelwood, Admiral Field, Chief of the Naval Staff, and other naval experts. Japan has notified us that her representation will be as follows: Admiral Viscount Saito, Governor General of Korea, and Viscount Ishii, at present Japanese Ambassador to France; Vice Admiral Kobayashi and Rear Admiral Hara, naval experts; and Mr. Sadao Saburi, Chief of the Treaty Section of the Foreign Office, Secretary.

KELLOGG

500.A15 a 1/185 : Telegram

*The Chief of the American Delegation on the Preparatory Commission
(Gibson) to the Secretary of State*

[Paraphrase]

GENEVA, April 14, 1927—9 p. m.

[Received 11:59 p. m.]

241. Until it should be possible to arrive at some idea of developments here I have postponed request for Department's instructions concerning arrangements for Naval Limitation Conference. The Preparatory Commission will in all likelihood adjourn towards the end of the month, see my No. 239,³¹ and will not resume its sessions until after the Assembly meeting in September. There will therefore be no conflict in time between the Three-Power Conference and the Preparatory Commission.

It would seem to me inadvisable to approach Sir Eric Drummond³² before the receipt of instructions from you and before further developments could be more clearly estimated. My information is, however, that Drummond would, if requested, be happy to grant us the facilities of the Secretariat's machinery as he is eager to have the *pourparlers* take place in Geneva.

Bridgeman, in conversation with me in London, made no secret of the fact that he was opposed to Geneva as a meeting place and that his preference lay in the direction of Brussels or The Hague because they were more accessible to London and were free from the atmosphere of Geneva. He attached some weight to this in the event that the negotiations should be protracted and that his presence in London should, from time to time, be required. I replied that the

³¹ Not printed.

³² Secretary General, League of Nations.

President had particularly suggested Geneva since he wished it made clear that the conversations were in no manner of means in rivalry with the work of the Preparatory Commission but were, on the contrary, closely connected therewith. I therefore gave it as my assured opinion that we would not be willing to initiate any change in this regard. It is possible that the British will resuscitate the suggestion concerning Brussels or The Hague upon the adjournment of the Preparatory Commission, and should that question arise I hope that a decision in one sense or another will be reached before Drummond is approached. The First Lord's suggestion contains one sound idea: a large number of persons of all nationalities are always cognizant of any proceedings in the Secretariat and it may be felt preferable to form a secretariat of our own. Since my Japanese colleague informs me that his country's delegation favors the English language in the conduct of negotiations, this should present no difficulty as the need for translation and interpreting will be avoided. My own convenience will, of course, be best served by the choice of Brussels, but I trust you understand that I would not like this to be taken into consideration in reaching a decision. I might add that the expenditure will be largely reduced in that case since the Embassy Chancery could be used for our work and the considerable expense for headquarters at the hotel be avoided.

The Executive Council would, I learn, be inconvenienced should the work commence before June 20, since until shortly before then the Council will be in session. We would hardly be warranted in asking the Secretariat to undergo the large outlay and inconvenience which a carrying on of the conversations coincident with the Council meeting would involve.

GIBSON

500.A15 a 1/185 : Telegram

The Secretary of State to the Chief of the American Delegation on the Preparatory Commission (Gibson)

[Paraphrase]

WASHINGTON, April 20, 1927—11 a.m.

121. Your No. 241, April 14, 9 p. m. Inasmuch as it was as a part of the Preparatory Commission that the President invited the five powers to confer in Geneva on the limitation of naval armaments, he feels that if the United States were to take initiative in holding Conference elsewhere this would place us in embarrassing position and provide France and Italy with opportunity to allege that we were attempting to disrupt Geneva Conference. Were the other two powers, Great Britain and Japan, to make clear their desire to have Conference

meet at some other place, preferably in Belgium, I do not think that we should oppose it. If the League of Nations would be embarrassed by having these negotiations at Geneva or if the League is not prepared to provide the necessary facilities, for which, of course, we should be willing to pay, we should then have no objection to holding Conference at some other place. You may, if you think wise, approach Sir Eric Drummond on the subject.

I should like to have your opinion in regard to distribution of personnel on termination of the Preparatory Commission. Are you and Admiral Jones of opinion that he should return here for consultation? ³³ We think that, if there is time, both the General Board of the Navy and the Department would be glad to have opportunity to consult with Admiral Jones, but wish to leave decision in matter to him.

KELLOGG

500.A15 a 1/204 : Telegram

*The Secretary of State to the Ambassador in Great Britain
(Houghton)*

[Paraphrase]

WASHINGTON, April 27, 1927—noon.

84. Bridgeman saw Admiral Jones when latter was in London on way to Geneva and raised possibility of moving Conference to some other place. British Naval delegate on Preparatory Commission likewise suggested to Gibson possibility of Brussels. No suggestion of this sort has ever come from anyone in British Foreign Office or from the Japanese.

Gibson has informed Department that Drummond has stated that, in regard to use of League facilities by Conference in Geneva, he preferred requests for this use to come from states members of League, that is to say, from Great Britain and Japan.

As this Conference at Geneva was called by President in connection with work of Preparatory Commission, the United States would not care to change location of Conference except on formal request of Great Britain and Japan, who are members of the League, in which event this Government would willingly consent to change to Brussels. There is no doubt that British and Japanese would be willing to request use of necessary League facilities if it be definitely decided to hold Conference at Geneva.

All the above considerations were discussed yesterday with Mr. Chilton of the British Embassy, the Ambassador being absent, and

³³ Rear Admiral Hilary P. Jones, American naval expert on the Preparatory Commission. Telegram from Mr. Gibson, No. 250, Apr. 22, 1927, 5 p.m. (not printed), referring to distribution of personnel, stated that Admiral Jones would return to Washington for consultation (file No. 500.A15 a 1/195).

with Japanese Ambassador, who promised to communicate with their respective Governments. You should find occasion to explain situation to Chamberlain and to urge early decision.

KELLOGG

500.A15 a 1/206 : Telegram

The Ambassador in Great Britain (Houghton) to the Secretary of State

[Paraphrase]

LONDON, April 28, 1927—5 p. m.

[Received April 28—12:47 p. m.]

98. Your No. 84, April 27, noon. Chamberlain tells me that British Government prefer Geneva for Conference and that they have so notified Japan. They are also taking the necessary steps in regard to League facilities.

HOUGHTON

500.A15 a 1/213a : Telegram

The Secretary of State to the Ambassador in Great Britain (Houghton)

WASHINGTON, May 5, 1927—noon.

93. Please bring following to the attention of Chamberlain: This Government assumes that the British Delegation at the forthcoming Three Power Conference will either include fully empowered Dominion representatives as at the Washington Conference or will itself be empowered by Dominion Governments.

KELLOGG

500.A15 a 1/216 : Telegram

The Ambassador in Great Britain (Houghton) to the Secretary of State

LONDON, May 6, 1927—1 p. m.

[Received May 6—8:56 a. m.]

105. Your 93, May 5, noon. Chamberlain assures me that British delegation at the forthcoming Three-Power Conference will include fully empowered Dominion representatives.

HOUGHTON

500.A15 a 1/223 : Telegram

The Chargé in Japan (Armour) to the Secretary of State

Tokyo, May 11, 1927—5 p. m.

[Received May 11—9:04 a. m.]

77. At an interview with the Minister for Foreign Affairs, he emphasized to me that the new Government ³⁴ goes even further than late Government in desiring to see limitation of naval armament effected at Geneva. Referring to China he said that Japanese Government is against intervention of any kind except to protect nationals. He emphasized importance he places on cooperation between the powers in regard to China, notably United States, Great Britain, and Japan.

ARMOUR

500.A15 a 1/236 : Telegram

The Ambassador in Italy (Fletcher) to the Secretary of State

Rome, May 17, 1927—11 a. m.

[Received May 17—9:39 a. m.]

66. I have just received a memorandum from the Foreign Office in reply to our memorandum of March 14th ³⁵ which, after referring to the antecedents, states:

"The Royal Government deeply appreciates this attention of the American Government and, while thanking it, has to state that the negotiations at Geneva will be followed with the greatest attention by the Italian Government and public opinion even if an official 'observer' shall not be sent to participate in the Conference.

Nevertheless, the Royal Government, depending upon the development of the negotiations and the probable results thereof, reserves the right to send one or more naval experts to follow closely these negotiations, not excluding that these experts may, at a given moment, assume the specific character of 'observers' at the Conference itself." ³⁶

FLETCHER

³⁴ The ministry of Reijiro Wakatsuki, in which Baron Kijuro Shidehara was Minister of Foreign Affairs, resigned in April 1927, and was replaced by a ministry under Baron Gi-ichi Tanaka who served both as Premier and Minister of Foreign Affairs.

³⁵ See telegram No. 18, Mar. 12, 4 p. m., to the Ambassador in Italy, p. 30.

³⁶ On June 4 (telegram No. 75, not printed) the Ambassador in Italy telegraphed the Department that Under Secretary Grandi had informed him that the Italian Government had appointed Commander Prince Favrizio Ruspoli and Lieutenant Commander Marquis Cugia di Sant'Orsola as unofficial observers to the Conference (file No. 500.A15 a 1/260).

A French *Mission d'Information* also attended the plenary sessions of the Conference; see S. Doc. 55, 70th Cong., 1st sess., p. 20.

500.A15 a 1/244a

The Secretary of State to the British Ambassador (Howard) ³⁷

WASHINGTON, May 23, 1927.

EXCELLENCY: In accordance with informal conversations on this subject, I now have the honor to confirm the arrangement that the Three Power Naval Conference at Geneva will open at four o'clock on Monday, June 20, 1927.

Accept [etc.]

FRANK B. KELLOGG

500.A15 a 1/251a

The Secretary of State to President Coolidge

WASHINGTON, May 27, 1927.

MY DEAR MR. PRESIDENT: First. I have given a great deal of thought to the question of the make-up of our delegation to Geneva. As you know, we have been faced by the alternatives of going through with the same type of representation we had at the preliminary conference, or of framing up a delegation somewhat along the lines of that at the Washington Conference in 1923. It appears that England is sending her First Lord of the Admiralty and Lord Cecil, who is a Cabinet Member without portfolio. Japan has made up a rather distinguished delegation, all of whom are naval officers or ex-naval officers. Saito, the head of the Delegation, was at one time Minister of Marines. So far as Japan is concerned, there is ample reason for sending men who can speak with final authority and make decisions on the ground. Her representatives would be so far away from the home base that they could hardly be expected to refer questions back to Tokyo as they arise from day to day. With us and with England it is, of course, otherwise. It goes without saying that in our case every important move in the course of the proceedings will be either dictated from or approved here.

I think we have all felt that Mr. Hughes has unique qualifications for the task. As a dominant figure in the Washington Conference, his appearance on this occasion might add considerably to the effectiveness of any proposals that we may make. However, we know he cannot go.

In these circumstances, without attempting to rehearse the arguments pro and con, I have concluded to recommend to you that we go ahead in the normal, businesslike way, refraining from any effort to produce an artificial impression by the selection of outstanding personalities. This would, of course, mean that Gibson head the delegation and the Navy would send very strong representatives including

³⁷ An identic note was sent on the same date to the Japanese Ambassador.

Admirals Jones, Long and Schofield, with assistants from the Navy, including Captain Andrews. Allen Dulles, formerly of the Department, will go as legal adviser. If you approve of this course, I think very soon the complete delegation should be announced by you.

Second. I have, of course, considered carefully the suggestion you made about Mr. Mellon, Senator Swanson and myself. I am a little afraid it would look like overloading the delegation and make it appear to the other countries that we were overanxious to have an agreement. We are anxious to have an agreement and I think it is important to us that we should, if we can get one, but we are in a rather independent position owing to the fact that we can accept as low a basis as any other country. I will not discuss the various questions as I wish to present to you the complete program which we expect to finish this week. So far as I am concerned personally, I am entirely at your disposal. If I thought it would really do any good by tending to assure the ultimate success of the Conference, I should not hesitate to advise you to instruct me to go. My only anxiety in this matter is for you to get an agreement, which I believe will redound very greatly to the credit of your Administration. Naturally the proceedings may develop at Geneva in such a way as to render it advisable for the Secretary of State to appear later on. If an emergency should arise in which my attendance would clear up a sudden complication and save the conference from failure, I should say by all means that the step would clearly be justified.

Third. The third alternative is that someone be sent with Mr. Gibson. I have no doubt you have explored this situation thoroughly. On this I make the following suggestions: (a) if it was deemed wise to give Admiral Jones additional prestige, he could be made a co-delegate with Mr. Gibson. He is a level-headed man and I think very liberal and is anxious to have an agreement; (b) if any civilian is selected outside of the Senate, the only recommendations I can think of are ex-Senator Underwood and Honorable John W. Davis; (c) if Senators are selected, the natural thing would be to send two—a Republican and a Democrat—and they would ordinarily be the Chairman and ranking member of the Foreign Relations Committee or the Chairman and ranking member of the Naval Committee or the Republican and Democratic leaders in the Senate. You know this situation better than I do so I do not think I need to discuss it.

Some of the Navy officials and Mr. Gibson will sail a week from tomorrow, June fourth, in order to be over there quite a while in advance to discuss the preliminary organization and program with the other delegates. Anybody else whom you desire to send would have ample time by leaving two weeks from tomorrow.

Faithfully yours,

FRANK B. KELLOGG

P. S. I have not, of course, talked with Borah and Swanson³⁸ on this subject, the only men who are available. If you consider taking any Senator, of course I believe it would be a very good plan to talk with them.

500.A15 a 1/255

Memorandum by the Chief of the Division of Western European Affairs (Marriner)

[WASHINGTON,] June 1, 1927.

At a conference with the President this morning at 9:15 there were present the Secretary of State, the Secretary of the Navy, the Honorable Hugh S. Gibson, Ambassador to Belgium, Admiral Hilary P. Jones, Admiral F. H. Schofield, Mr. A. W. Dulles, Legal Adviser to the Delegation, and Mr. Marriner, Chief of the Western European Division of the State Department.

The proposal of the Navy to be laid before the Conference, prepared by the General Board as a result of the conferences in the State Department and contained in Navy's Memorandum dated June 1, 1927, study No. 1, subject: proposals for the Geneva Conference,³⁹ was discussed throughout and approved by the President, who stressed the importance of the adoption of the plan of combining cruiser and destroyer tonnage during the transition until the attainment of the allowed tonnages in each class in order to avoid immediate scrapping of ships under the age limit.

The President likewise inquired whether or not the Navy approved the plan as laid down and asked each of the naval members present personally whether they felt that the Navy would back a treaty arising from such a plan whole-heartedly. The replies were all in the affirmative.

In connection with a possible British proposal to reduce the size of cruisers, the President said of course that the United States could not be satisfied with a lesser number of cruisers of 10,000 tons than Great Britain but agreed that a combination limitation by tonnage and numbers could possibly be worked out which would be satisfactory in all probability to both Powers as it would give Britain the scope she desired for building smaller cruisers.

The question of possible discussion of the abolition of the submarine was also raised and the President agreed with those present that in view of the fact that only three nations were present the

³⁸ Senators William E. Borah and Claude Swanson, chairman and ranking minority member, respectively, of the Senate Committee on Foreign Relations.

³⁹ Not found in Department files.

question would not be a practical one but that of course we could initiate or support any resolutions indicating our willingness to abolish the submarine when it was universally abolished.

J. [THEODORE] M[ARRINER]

500.A15 a 1/262a

*The Secretary of State to the Chairman of the American Delegation
(Gibson)*

No. 1

WASHINGTON, June 2, 1927.

SIR: The President has instructed me to inform you of your appointment as Chairman of the American Delegation to the Conference on the Limitation of Naval Armaments, which is to meet at Geneva on June 20th.

Rear Admiral Hilary P. Jones, of the General Board of the Navy, is likewise being instructed to attend the Conference with the rank of Delegate.

The following persons have been designated to assist you at this Conference:

For the Department of State:

Frederic R. Dolbeare, Counselor of Legation at Berne,
George A. Gordon, Secretary of Legation at Budapest,
S. Pinkney Tuck, Consul at Geneva,
Allen W. Dulles, Legal Adviser.

For the Navy Department:

Rear Admiral Andrew T. Long,
Rear Admiral Frank H. Schofield,
Captain J. M. Reeves,
Captain Arthur J. Hepburn,
Captain Adolphus Andrews,
Captain W. W. Smyth,
Commander H. C. Train,
Lieutenant Commander H. H. Frost.

The Honorable Hugh R. Wilson, American Minister to Switzerland, will act as Secretary General of the Conference, and Frederic R. Dolbeare, Counselor of Legation, as Secretary of the American Delegation. You will be appropriately empowered to negotiate and, subject to the approval of the President, to conclude an agreement with the Plenipotentiary representatives of Great Britain and Japan for the limitation of naval armaments in classes of vessels not limited by the terms of the Treaty signed at Washington on February 6, 1922.

The President, in his message to Congress of February 10th, indicated the reasons which made further naval limitation desirable, and it is upon the considerations therein set forth that your conduct of

the forthcoming negotiations should rest. In this respect, the President re-affirmed, as a fundamental policy of the American Government, its support of measures for the further limitation of armament in the interest of peace and international understanding. It was with a view to making possible a definite step for the further limitation of armaments and to complete the work begun at the Washington Conference that the President proposed the present Conference.

The primary object of the Conference, the removal of the danger incident to the competitive building of vessels of war not limited by the Washington Treaty will, it is believed, best be achieved by the extension of the principles and of the ratios of the Washington Treaty as between Great Britain, Japan and the United States. As the President of the United States assumed the initiative in calling the Conference, it is considered that it would be entirely appropriate for you to submit to the Conference concrete proposals as to the tonnage allocations in the various categories of vessels which would be acceptable to the United States and of corresponding tonnages for Great Britain and Japan. Such a statement is therefore submitted herewith, together with an introductory memorandum outlining the reasons which prompt this Government to make the proposals in question.⁴⁰ The various problems which may arise for discussion at Geneva have been fully considered in your conferences with the President and with me, and the written and oral instructions which you have heretofore received will be supplemented from time to time by telegraphic instructions in reply to any specific questions which you may present to the Department.

To supplement your written and oral instructions, I desire to impress upon you that in the opinion of this Government, the possibilities of success of the Conference will be greatly enhanced if the deliberations of the Conference are restricted to the immediate problem before it, namely, the extension of the principles and ratios of the Washington Treaty to auxiliary vessels. It would be unwise for the Conference to take under advisement any modification of the Washington Treaty, since two of the Powers party to this Treaty are not represented at Geneva. Further, any discussion of the Washington Treaty may properly be postponed pending the Conference to be held in 1931, pursuant to the terms of that Treaty, since it is only after November 1931, that the questions of the future building programs of the five Powers will be presented. I would consider it particularly undesirable for the Conference to take up the question of naval bases, regulated by Article XIX of the Washington Treaty, or to link this question with that of the further limitation of naval vessels.

⁴⁰ Not printed; Mr. Gibson's statement outlining the American proposal is printed in S. Doc. 55, 70th Cong., 1st sess., p. 24

Subject to the foregoing, I desire to leave to your discretion the method and the manner in which you will support the principles and the policies of this Government with respect to the further limitation of naval armament as set forth in this instruction and in the memorandum and detailed proposals submitted herewith.

It is impossible to give you at this time detailed instructions as to the various matters which may arise during the Conference. It will be necessary for you to deal with such matters as they are presented, seeking the Department's instructions on specific points if and when such a course is desirable and possible. You are fully conversant with the President's views and subject to these instructions and such further instructions as may be sent you from time to time, I shall depend upon you to conduct the negotiations and take such decisions as may be necessary.

I am [etc.]

FRANK B. KELLOGG

500.A15 a 1/266 : Telegram

The Secretary of State to the Minister in Switzerland (Wilson)

WASHINGTON, June 9, 1927—3 p. m.

46. The Department today was notified through a note from the British Embassy in Washington and in separate notes from the Irish Free State Legation and the Canadian Legation,⁴¹ that the following delegates would attend the forthcoming Conference on the Limitation of Naval Armaments at Geneva:

Great Britain:

The Rt. Hon. W. C. Bridgeman, M. P., First Lord of the Admiralty, Viscount Cecil of Chelwood, Chancellor of the Duchy of Lancaster, Vice Admiral Sir F. L. Field, K. C. B., K. C. M. G., Deputy Chief of the Naval Staff.

Australia:

The Rt. Hon. Sir J. Cook, G. C. M. G., High Commissioner in London.

New Zealand:

Sir J. Parr, K. C. M. G., High Commissioner in London. Admiral of the Fleet Earl Jellicoe of Scapa, G. C. B., O. M., G. C. V. O.

India:

The Rt. Hon. W. C. Bridgeman.

South Africa:

Mr. J. S. Smit, High Commissioner in London.

Mr. C. Pienaar, Trade Commissioner in Europe.

Irish Free State:

The Hon. Desmond Fitzgerald, Minister for External Affairs.

Hon. John Costello, Attorney General.

⁴¹ None printed.

Canada :

The Hon. Ernest Lapointe, Minister of Justice.

Dr. W. A. Riddell, Canadian Advisory Officer at Geneva who will serve as the Canadian delegate pending the arrival of Mr. Lapointe in Geneva at the end of June.

KELLOGG

500.A15 a 1/291 : Telegram

The Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, June 20, 1927—11 a. m.

[Received 11:37 a. m.]

11. Following is text of press release described last paragraph my 9, June 19, 2 p. m.⁴² If Department desires, this may be given out at the same time as text opening statement and American proposal.

"If the plan outlined in the American proposal were adopted on the basis of 300,000 tons of the cruiser class for the United States and the British Empire and 180,000 tons for Japan, and 250,000 in the destroyer class for the United States and the British Empire and 150,000 tons for Japan, the following is an approximate estimate of the tonnage that would have to be scrapped provided existing programs of construction were brought to completion: The United States would have to scrap immediately about 60,000 tons of auxiliary combatant surface vessels and 80,000 additional tons of such vessels upon the completion of the present building program; the British Empire would have to scrap about 60,000 tons of auxiliary combatant surface vessels upon completion of the present building program; Japan would have to scrap about 40,000 tons of auxiliary combatant surface vessels upon the completion of her present building program.

If the plan outlined in the American proposal were adopted on the basis of 90,000 tons of submarines for the United States and the British Empire and 54,000 tons of submarines for Japan, no scrapping of submarines would be necessary until present building programs are brought to completion.

Most of all vessels to be scrapped under the American plan are now or soon will be obsolete.

This plan stops competitive building which is the chief objective of this Conference, avoids scrapping of new construction and permits moderate replacement and building programs within clearly defined limits. If a lower limit of total tonnage of the cruiser, destroyer and submarine classes were agreed to, the scrapping programs would be correspondingly increased and the possible building programs would be curtailed."

Navy Department information.

GIBSON

⁴² Not printed.

500.A15 a 1/293: Telegram

The Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, June 20, 1927—5 p. m.

[Received June 20—4:45 p. m.]

12. For the President.

"In my capacity as secretary general of the Conference for the Limitation of Naval Armament, I am requested by the delegates to transmit the following message to you: 'Profoundly and cordially appreciating the humane and wise initiative of the President of the United States in convening the present Conference with a view to the further reduction of the burden and danger of naval armaments, the delegates assembled desire to tender to him this expression of their highest respect and of their strong hopes of a most satisfactory result.' (Signed) Wilson."

GIBSON

500.A15 a 1/295: Telegram

The Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, June 20, 1927—8 p. m.

[Received June 20—7:40 p. m.]

15. Conference opened this afternoon at 3 o'clock with brief statement by me to the effect that as chairman of the delegation of the power which had suggested the holding of the Conference, I was calling the meeting to order for the purpose of organization. I was thereupon nominated by Bridgeman and seconded by Saito as president of the Conference. Hugh Wilson named secretary general and the secretaries of the respective delegations named. Thereupon rules of procedure were adopted; and the Conference on my motion decided to form an executive committee to be composed of the chief delegates of the three powers with appropriate assistants to determine on further methods of procedure, and credentials committee was named to examine full powers. Executive committee meets Tuesday at 11 a. m. and credentials committee at 3 p. m.

Viscount Saito thereupon proposed that the delegates send a message to President Coolidge and read text quoted in my 12, June 20, 5 p. m. Bridgeman cordially supported Saito's proposal. Thereupon I made statement quoted in my 2, June 16, 11 p. m., and 3, June 17, noon,⁴³ and circulated proposals in form communicated in my 6, June

⁴³ Neither printed; the statement is printed in S. Doc. 55, 70th Cong., 1st sess., p. 24.

18, 11 a. m., and 9, June 19, 3 [2] p. m.⁴⁴ Bridgeman followed with statement quoted in my 13, June 20, 6 p. m., and Saito with statement quoted in my 14, June 20, 7 p. m.⁴⁵ First plenary session thereupon adjourned; no definite date was fixed for next public meeting, it having been previously agreed between Bridgeman, Saito and myself that date of meeting would be fixed as soon as executive committee considered that we were prepared for further public discussion.

After meeting, Admiral Jones and I had conference with the press and gave out press release quoted in my 11, June 20, 11 a. m.

GIBSON

500.A15 a 1/300 : Telegram

The Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, June 21, 1927—5 p. m.

[Received June 21—1:57 p. m.]

16. At the first meeting of the executive committee held at 11 a. m. on June 21st, the committee adopted the following resolution:

"With a view to the proper consideration of the proposals submitted by the Governments of the United States, of the British Empire and of Japan on June 20th, it is suggested that a technical committee be formed to exchange agreed statistics of the present cruiser, destroyer, and submarine tonnage of each of the three powers and of the designed tonnage of ships of these classes comprised in programs now authorized and appropriated for, and any other information tending to clarify the proposals of the three Governments. In this manner the Conference will be in position to start its deliberations on an agreed basis of fact."

GIBSON

500.A15 a 1/313 : Telegram

The Chairman of the American Delegation (Gibson) to the Secretary of State

[Paraphrase]

GENEVA, June 22, 1927—5 p. m.

[Received 5:05 p. m.]

22. Dulles and I visited Ishii and Saito this morning with a view to learning what the Japanese thought of the British proposals⁴⁶ relative to the Washington Naval Treaty. My hope was that they would share the American view that the present Conference should not take up these questions; but Ishii said that while they were limited by their instructions to a consideration of the extension to

⁴⁴ Neither printed; see S. Doc. 55, 70th Cong., 1st sess., p. 185.

⁴⁵ Neither printed; see S. Doc. 55, 70th Cong., 1st sess., pp. 28 and 32.

⁴⁶ See S. Doc. 55, 70th Cong., 1st sess., pp. 28, 30.

auxiliary vessels of the Washington principles, yet they could consider any matters in regard to naval armaments by virtue of their full powers. They had, however, requested instructions from their Government, since they were uncertain as to whether the latter desired a consideration of modifications in the Washington treaty as suggested by the British. Viscount Ishii, in view of his superior knowledge of English, was the chief spokesman, and gave it as his opinion that, while he was unable to predict his Government's attitude in the premises, the economy effected if the British proposals were adopted seemed rather desirable.

To this I remarked that it was not wise to consider the British proposals at the present time, however meritorious they might be, and that the subjects covered by them would, under the stipulations of the Washington treaty, be considered in 1931, at which time France and Italy were bound to participate. Moreover, I pointed out that any agreements that might be made now would be largely academic, and might have to be changed in 1931, and that anyhow no replacements would take place until that year or even later; it therefore appeared desirable to postpone discussion of the Washington treaty until 1931, and to bend our entire efforts to the application of the established Washington treaty principles to auxiliary craft.

In reply, Viscount Ishii stated that apart from the question of economy, it should be remembered that the Conference in 1931 would not be held until August, and that since the Japanese Diet would not convene until the close of the year, any agreements made at the Conference would not be immediately put into effect. This would embarrass the Government by forcing it either to lose a certain amount of time after the Conference before making its estimates, or making appropriations from the former session of the Diet; that clear estimates for the earlier session were difficult of preparation, since appropriations would have to be asked for vessels of maximum size should no further limitation be arrived at, while, on the other hand, were the duration of capital ships to be extended, the only appropriations necessary would be for making repairs, etc. These were considerations which he thought justified to some extent the British proposals. Upon receipt of instructions from Tokyo, he will again discuss these questions with me.

A clear definition of our position will have to be made should the Japanese delegation be directed to support the British proposal, and I am accordingly submitting to you separately a draft statement⁴⁷ which might, without weakening our fundamental stand, surmount the difficulty indicated by the Japanese delegate.

GIBSON.

⁴⁷ See telegram No. 25, June 23, 7 p. m., from the chairman of the American delegation, p. 50.

500.A15 a 1/314 : Telegram

*The Chairman of the American Delegation (Gibson) to the Secretary
of State*

[Paraphrase]

GENEVA, June 22, 1927—5 p. m.

[Received 9 p. m.]

23. During the conversation which was the subject of my telegram No. 22, June 22, 5 p. m., Ishii said that he desired to discuss in all frankness the difficulty with which his Government was faced, and to find out what our attitude would be in regard thereto. Whether justified or not, there existed in Japan a widespread feeling that the ratio of the Washington treaty imposed a position of inferiority upon that country, and that if the figure could be slightly modified in a favorable sense, 3.5 for instance, although 4 would be preferred, it would be of the greatest value.

In reply, I gave it as my understanding that the ratios were not arbitrary, but were the result of translating into proportions the naval requirements of the signatory powers, and that these figures were arrived at by agreement among the parties. He countered by stating that at the present time Japan was faced with delicate situations in regard to Soviet Russia and to China. I thereupon made the suggestion that Admiral Jones should confer with Admiral Saito and that he would demonstrate the grounds which we had for our belief that Japan was not placed in a position of inferiority by the present proportion.

GIBSON

500.A15 a 1/316 : Telegram

*The Chairman of the American Delegation (Gibson) to the Secretary
of State*

[Paraphrase]

GENEVA, June 23, 1927—7 p. m.

[Received 10:25 p. m.]

25. With reference to the proposals for the modification of the Washington treaty which have been brought forward by the British and the receptive attitude which the Japanese have shown thereto, see my telegram No. 22, June 22.

It is my opinion that the most advisable attitude for us to take towards the British proposals is that they should not be considered at the present time by the three powers, but in 1931 when the five signatories of the treaty would be present.

If you deem it appropriate, we could suggest to the British that we are ready to sustain the adoption by the Conference of a decision somewhat as follows:⁴⁸

"In view of the fact that the Washington treaty provides for a Conference in 1931 of the five powers parties to that treaty and in view of possible developments during the next four years which might have an important bearing upon the consideration of future policy with respect to the construction and armament of capital ships and of aircraft carriers, the Conference deems it wise that the British proposals relating to these subjects should be taken up for consideration at the Conference provided under that treaty for 1931 at the time when the first capital ship replacement tonnage may be laid down by the three powers."

Instructions are requested.

GIBSON

500.A15 a 1/317 : Telegram

The Chairman of the American Delegation (Gibson) to the Secretary of State

[Paraphrase]

GENEVA, June 23, 1927—8 p. m.

[Received June 24—2:04 a. m.]

26. This morning during a conversation with Cecil and Bridgeman, I explained with great care our objections to discussing the subjects covered by the Washington treaty at the present Conference. Cecil and Bridgeman were inclined to insist most vigorously that it would be necessary to have some definite decision for the construction of capital ships before 1931; that it would mean a great saving in the naval budgets of the various countries if the British ideas were carried out, as they believed that the decision of the three powers to refrain from building maximum size ships would have great weight in causing Italy and France to do likewise, and so forth and so forth.

Bridgeman asked whether the United States actually insisted upon parity in each class of vessel and made the suggestion that we might not care to construct up to the limits which the British considered were their actual requirements. In replying, I stated that these were matters which we would have to determine when we decided upon our building programs; that, of course, the right of parity was fundamental.

Cecil and Bridgeman did not indicate any definite views regarding the total tonnage limitations in the various classes of vessels, but they both were insistent upon the importance of placing limits on the

⁴⁸ Quoted paragraph not paraphrased.

maximum size of cruisers, destroyers, and submarines. The desirability of two classes of cruisers, one of which would be considerably under 10,000 tons, was particularly emphasized by them.

No satisfactory common ground for discussing the specific questions before us has been supplied either by our conversations with the British or by their various proposals. Tomorrow there will be another meeting of the executive committee when, with the idea of getting the work started along definite lines, we will suggest the formation of technical committees to study various matters.

GIBSON

500.A15 a 1/322 : Telegram

The Chairman of the American Delegation (Gibson) to the Secretary of State

[Paraphrase]

GENEVA, June 23, 1927—9 p. m.

[Received June 24—4:24 a. m.]

27. The British naval delegates and Bridgeman have expressed the view repeatedly that the best way in which to have work initiated on a sound basis is for the delegations of the United States, Japan, and England to make a frank and full public statement of the needs of their respective navies with an explanation justifying the figures claimed. Bridgeman seems anxious to have a plenary meeting called soon and we assume that it is for this very purpose. We think that he will discuss later the burdens, etc., resting on the English Navy because of England's island position and her consequent vulnerability. At the same time he will, we expect, dwell upon England's entire dependence upon food supplies from overseas; the necessity that England police individual scattered units of the British Empire and trade routes; the lengthy coast lines of the various dominions and numerous colonies, etc. This is in accord with the British idea to get away from a strict application of the ratio fixed by the Washington Conference and endeavors to prove the necessity for a preponderant British strength. It seems obvious that the demands of the British will be very high, judging from Jellicoe's indication to Admiral Jones last evening that England would require 500,000 tons of cruisers and considering Bridgeman's remarks to me this morning that the United States would not need as much in the line of cruisers as would Great Britain. The idea of such a public statement is apparently to lead the United States and the Japanese to make a statement of a similar character as to

their respective needs which the British can then comment on and criticize so as to obscure the issue. I feel that if we were to follow tactics similar to those of the British we would be led into an inconclusive argument as a result of which the British could readily distort our statements and we would then never succeed in clarifying the issue. To me it appears that the only way clearly to maintain the simplicity and clarity of our proposals is for us strictly to adhere to the principles of a fundamental nature which were laid down in the Washington treaty. I think that by adhering closely to those principles there will not be any danger of their distortion and we shall also be on safe ground. Thus should the statement to be made by Bridgeman be of such a nature as we anticipate, I desire in the most simple terms to reiterate the proposition that naval requirements depend upon the vital strength of other powers and are thus purely relative; that the American proposals are clear and comprehensive and demonstrate our willingness to adapt our tonnage figures to the minimum amount as regards auxiliary craft which the other members of this Conference can accept; that our faith in the practicability of the theory of relative requirements is thus plainly evidenced and that our suggestions in regard thereto remain open; conversely, that if a figure higher than that proposed by us is felt to be necessary by the other powers for their needs, our own requirements would have to be increased proportionately and would be on an equality with the higher figure. This appears to us to bring out in bold relief our willingness not only for real limitation but for reduction as well, so that should the tonnage levels be scaled upwards, it is my understanding that the power contending for the greatest tonnage would bear the responsibility therefor. An objective and clear indication of this in our statement may be necessary.

GIBSON

500.A15 a 1/316 : Telegram

*The Secretary of State to the Chairman of the American Delegation
(Gibson)*

[Paraphrase]

WASHINGTON, June 24, 1927—7 p. m.

10. Your No. 25, June 23, 7 p. m. The action which you suggest taking is in accord with your instructions. I approve your supporting adoption of decision by Conference along lines set forth.

KELLOGG

500.A15 a 1/324 : Telegram

The Chairman of the American Delegation (Gibson) to the Secretary of State

[Paraphrase]

GENEVA, June 24, 1927—7 p. m.

[Received June 24—4:50 p. m.]

31. Bridgeman stated at this morning's session of the executive committee that he was eager that an early plenary session be held for the purpose of debating the British suggestions regarding battle-ships and aircraft carriers and asked at what time the other delegates would be prepared to enter upon such debate. In reply I informed him that our instructions did not cover such proposals and were further definitely against any reopening of matters which the Washington treaty had already settled. I added, however, that I had reported fully to my Government which would doubtless instruct me in the premises. Viscount Ishii declared that the position of the Japanese delegates was similar to ours and they were prevented by their instructions from undertaking conversations regarding any revision of the Washington treaty, but that he himself thought certain features of the British suggestions desirable. He had telegraphed to Tokyo accordingly but did not expect a reply within less than a week and until then could not take any stand in the matter. It was proposed by Bridgeman to state in a communication to the press that discussion had been postponed pending receipt of instructions from these Governments but he withdrew the suggestion when opposition thereto developed.

Bridgeman expressed the hope to me, after the meeting, that although he realized that no replacement would occur before 1931, we could yet come to an agreement as regards capital ships, since he thought that public opinion would be very favorably influenced if a diminution in maximum tonnages, even if it should only take effect in 1931, were agreed to at this time. He admitted that such a step presented some difficulties and pointed to the fact that the British Navy included two new vessels which considerably surpassed the maximum tonnage which they desired us to accept, but that the possibility of other countries constructing the larger ships had to be reckoned with. He promised to submit to me a proposal which he was engaged in drafting and which he trusted might be acceptable to all concerned.

Dulles and Cecil were discussing this matter almost simultaneously. The former felt that it would be unfortunate to engage in a public discussion of the question, inasmuch as we would be forced to give publicity to the fact that under the Washington treaty the British

Navy pending replacements had a tonnage considerably superior to the 5-5 ratio and also had more modern battleships and, further, that were their proposals to be adopted this inequality would be continued beyond the space of time stipulated in the treaty. While the British apparently desire to gain public approbation for having advocated this kind of proposition and wish to make us bear the responsibility for blocking measures they have heralded as being prime requisites to economy and peace, they will probably be satisfied with this move and will not insist rigidly on favorable action on their proposals. We think that, subject to your instructions, this question should be treated in accordance with my telegram No. 25, June 23, 7 p. m., and firmly believe that it is highly important to avoid any move at this time which might pledge us in advance to favorable consideration in 1931 of the British proposition.

It will take several days for Tokyo to consider the British proposals, according to Ishii; but you may concur with me that the decision of the Japanese Government might be considerably influenced if the possibility of serious consequences arising from reopening the Washington treaty were impressed upon Matsudaira.

GIBSON

500.A15 a 1/322: Telegram

*The Secretary of State to the Chairman of the American Delegation
(Gibson)*

[Paraphrase]

WASHINGTON, June 24, 1927—8 p. m.

11. Your No. 27, June 23, 9 p. m. In my opinion your opening speech at Conference, and proposals circulated with it, set forth in their minimum figures this country's lowest naval necessities;⁴⁹ any revision upward of these figures is due to fact that our needs are relative to sea force which Great Britain and Japan desire to build. Any contention by British that they need large number of cruisers for the protection of their long trade routes carries the implication that they must protect them against some other nation. As the United States and Japan are the only two nations with navies large enough to be a threat to Great Britain, there does not seem to be any logical excuse for excessive tonnage demands.

Should the British insist on making an elaborate defense of demand for a high cruiser tonnage, you might, I think, content yourself with making a reiteration in accordance with the suggestion in your telegram. I am further convinced that insistence upon this point would not be misjudged in view of support which the parity with Great

⁴⁹ See S. Doc. 55, 70th Cong., 1st sess., pp. 24 and 185.

Britain has received in this country. The high limit suggested by Jellicoe was, possibly, merely a covert attempt to ascertain whether or not we were sincere on the subject of parity. On that point there can be no question; but it is certain, as well, that we should not care to sign a treaty increasing British cruiser tonnage by about 75 percent and requiring us to triple our effective cruiser strength. Should the British put forward such claims seriously, I think that the public analysis of them would more than justify failure to conclude a treaty, and might even have effect of stimulating zeal of Congress for competitive building.

You may in conversation with the British discreetly use any of the foregoing.

KELLOGG

500.A15 a 1/322 : Telegram

The Secretary of State to the Chargé in Great Britain (Sterling)

[Paraphrase]

WASHINGTON, June 25, 1927—1 p. m.

138. We are transmitting to you text of Gibson's telegram No. 27, June 23, 9 p. m., from Geneva:

[Here follows the text of the telegram printed on page 52.]

We are also repeating to you Department's No. 11, June 24, 8 p. m., to Gibson.

Having in mind the repeated assurances of the British, both at time of Washington Conference on Limitation of Armament and since that time, that Great Britain would accept idea of parity with this country in all classes of naval vessels, the Government of the United States is surprised at attitude of British delegates at Geneva as this attitude is outlined in Gibson's telegram under reference. See Chamberlain and inform him that in view of continuous absence of both Sir Esme Howard and Mr. Chilton from Washington there is no way to bring up these views informally here, and you have been requested, therefore, to draw their tenor to his attention in friendly spirit.

KELLOGG

500.A15 a 1/327 : Telegram

The Chairman of the American Delegation (Gibson) to the Secretary of State

[Paraphrase]

GENEVA, June 26, 1927—9 p. m.

[Received 11:55 p. m.]

32. There is, in my opinion, no reason for being disheartened even though no specific accord has been reached on any question during the

first week. The obstacles with which we are faced can, I believe, be overcome, although they are serious. The two most difficult ones are the elaboration of a formula which, while satisfying Japanese *amour-propre*, will yet maintain the Washington treaty ratio; and the even more serious wish of Great Britain to have no limitation placed upon the number of small cruisers.

Judging from the discussions of the past week, I feel quite certain that there will be no insistence on the part of the British upon the taking up of their suggestions in regard to capital ships. It will ultimately be necessary in this regard to arrive at a satisfactory formula providing for postponement of this matter until 1930 [1931?], reserving at that time complete liberty of action. Subject to the question of ratio, I am of the opinion that technical agreement with Japan, covering submarines and possibly destroyers, can be reached. At the present time, however, there is considerable divergence between us as regards maximum size of destroyers. The matter upon which there are the greatest differences is that of cruisers, and considerable maneuvering with regard to the order of taking up the various questions is being indulged in. In order to make a rupture on the subject of cruisers alone seem unjustifiable should that question be the only one disputed, the British desire to arrive at a speedy agreement with us in respect of submarines, hoping to get concessions in this class at least. Our position that agreements with regard to the various categories of vessels should be interdependent and that all questions of a technical nature should be examined together is being vigorously maintained.

We are, furthermore, endeavoring to dispose, as soon as possible, of the British suggestions concerning the Washington treaty. A satisfactory explanation of their having been propounded is difficult to find unless the British desired to justify their possible refusal to agree to limitation of small cruisers by our refusal of their above-mentioned proposals. They certainly must have known how unacceptable we would find these proposals. It is my hope that all questions bearing upon a change of the Washington treaty will be out of the way before the end of the discussion upon cruisers.

The disposition on the part of the American press representatives here to support unflinchingly our position without regard to the political color of their papers has been extremely helpful. It is, in my opinion, producing a distinct effect on the British delegation, who appear, judging from their conversations with American newspapermen, to have taken to heart the outspoken criticism of their proposals which has been published in the American press.

GIBSON

500.A15 a 1/329 : Telegram

The Chairman of the American Delegation (Gibson) to the Secretary of State

[Paraphrase]

GENEVA, *June 27, 1927—3 p. m.*

[Received June 27—2:13 p. m.]

33. Each delegation at the Conference has supplied the others with tonnage figures on the basis of the Washington standard ton, so that all three delegations might be able to begin their studies with the same statistical data concerning authorized programs and the tonnages of existing vessels. The American delegation were rather surprised when considering the British figures to find that the tonnage of the 18 capital ships exceeding the *Nelson* and the *Rodney* in age aggregated 49,000 tons more than the figures contained in the tables of the Washington treaty, this being due to the fact that they were based on the tonnage basis theretofore used by the British Navy, and not on the Washington standard-ton basis. The belief was generally held that figures based on Washington standard tonnage would prove less than the figures previously published, and such has proved to be the case as concerns the American figures, but the figures previously published by the British proved to be less than the figures based on Washington standard tonnage. Standard-tonnage figures have not yet been received from the Japanese for their capital ships, but based on the Washington standard ton their figures for destroyers and cruisers aggregate approximately less than previously published figures by 8 percent.

After the accession of the *Rodney* and the *Nelson* and the inclusion of 18,000 tons for the modernization of six American battleships, the difference in the total standard tonnage between American and British capital ships is about 96,000 tons instead of the 33,000 tons which appear in the tables attached to the Washington treaty. It would thus be 1953 instead of 1942, as agreed upon, before parity in battleships would be reached if the British proposals were put into effect. Also for the period 1934 to 1945, it would give the British an average advantage of 14,000 tons above that under the replacement scheme contemplated by the Washington treaty and between 1945 and 1953, an advantage of about 8,000 tons.

The above information is being telegraphed for the information of the State Department and the Navy Department to be used in connection with their comments to the press, and in order to give more force to the views previously expressed that nothing should be done by us to increase the advantage to be gained by the British by postponing

replacements, which is suggested in their plan for the modification of the Washington treaty, and is not intended for publicity purposes nor as a criticism of the British tonnage figures previously published.

GIBSON

500.A15 a 1/331 : Telegram

The Chairman of the American Delegation (Gibson) to the Secretary of State

[Paraphrase]

GENEVA, June 27, 1927—8 p. m.

[Received 9:05 p. m.]

35. There are indications that British delegation is not wholly satisfied over reception accorded its proposals in regard to modification of the treaty of Washington, and our delegation feels that British might be helped to withdraw from untenable position if, before you leave Washington, you could reinforce our statements here in a frank talk with either Howard or Chilton. In such a conversation we feel that there are certain points which it would be particularly helpful if you could touch upon.

1. Revision of the treaty of Washington. Though the American position has been stated in full it would be well to reiterate our statements explaining that such a revision is not a subject of discussion; that, should the British delegation find some way of not insisting on its proposals, an agreement would be far more easily reached, as the American delegation is not working with any thought of a concession; that while no revision of the treaty will take place at the present Conference, and they may as well recognize that fact now, they may be assured that it is our desire to make a recession from their position as easy as possible.

2. Equality. It seems incomprehensible that any doubt should now exist in regard to our having full parity, for this point has been explained to the proper British authorities for some time past; it would expedite matters if the British delegation would accept the fact that the United States, under an agreement or without it, will insist on its right to parity with the British Empire; and parity reached through a just agreement will be clearly advantageous to them. Should you deem it appropriate you might refer to the fact that I had told you of my reply to Bridgeman's doubts concerning the necessity for us of parity to the effect that, should I accept a position of inferiority I should be forced to reside abroad permanently, and that you wholly agreed therewith.

3. It is clear that the British delegation consider the 1927 congressional building program a play to the gallery to back up the

President in summoning the Conference and doubt its genuineness. It might be well to impress upon Howard that with his knowledge of the situation in the United States, he could not entertain such an idea; only by suggesting the Conference could the President curtail a building program of considerable size. Should no conclusion be reached at Geneva, probably a greater building program will be considered in the next congressional session; failure in our present task would create competitive building in both countries which could but be most detrimental to our relations, whereas an amicable agreement at this time would not fail gradually to bring about a satisfactory adjustment of naval strength.

4. As you stated in your telegram No. 11 of June 24, 8 p. m., and as you may care to confirm to Howard, a just agreement should be possible, based upon acknowledgment of our naval requirements, which are relative.

This outline is not detailed and is merely intended to set forth certain views which we have endeavored to emphasize here. It is obvious that should these same views reach the British Government and their delegation here through you, our position will be appreciably strengthened.

GIBSON

500.A15 a 1/332 : Telegram

The Chairman of the American Delegation (Gibson) to the Secretary of State

[Paraphrase]

GENEVA, June 27, 1927—10 p. m.

[Received June 27—9:50 p. m.]

36. In a conversation this afternoon, Viscount Ishii informed me that the Japanese Government had changed the instructions originally given its delegation, opposing the reconsideration of the Washington treaty, to the extent that it would not offer any opposition to the British proposals for a further discussion concerning capital ships. However, he said they did not consider this subject should be discussed until an agreement relating to the limitation of auxiliary craft had been reached.

I replied in a frank manner that I regretted very much their decision to acquiesce in reconsidering any portion of the Washington treaty; that should any portion be changed, it might cause complications to arise, as the treaty was a very delicately adjusted mechanism, but I assured him that I appreciated very much his courtesy in giving me the above information. I further added that as he

had been so kind as to inform me of his instructions, I felt that I should be equally frank in communicating mine to him. Accordingly, I read to him those portions of our instructions which I considered most pertinent, and stated that these instructions had only been strengthened by those comments on the British proposals which had been received from Washington; that I felt I was so placed that I could tell him quite frankly that the American delegation was not maneuvering with any intention of eventually making concessions of any kind; that the Washington treaty was brought into force by five signatory powers and that the treaty could not be reopened if any one of them was opposed to such action. Further, that there was always the danger that efforts might be made to revise other provisions if any portion of the treaty was changed; that quite a number of people in the United States were of the opinion that our Government had made too many concessions with regard to our naval bases in Guam and the Philippines, and that if the treaty was again being considered, it was very possible that agitation would arise for a reconsideration of these questions; that on principle we were opposed to the revision of any item of the treaty and that we considered that the only wise course to pursue would be to hold the treaty intact until 1931 before considering a revision. Any attempt to reopen the treaty would fail, I said, as we are not willing to consent to such action. Therefore, it would be to no advantage for any of us; and this being so, it would seem better to avoid such a situation. Before departing, Ishii thanked me for the information I had given him, and said he had come to inform me of the instructions received from his Government before telling Bridgeman of them. Altogether our conversation was most frank and cordial.

GIBSON

500.A15 a 1/336

The British Ambassador (Howard) to the Secretary of State

MANCHESTER, MASS., June 27, 1927.

[Received June 28.]

MY DEAR MR. SECRETARY: I have been requested by Sir Austen Chamberlain to give you the following information as to the aims of His Majesty's Government in bringing up at the Geneva Conference the question of reducing the size of capital ships and of their guns in case these aims are not fully appreciated over here.

I understand that at the meeting of the Executive Committee of the Geneva Naval Conference on June 24th, Mr. Bridgeman, the First Lord of the Admiralty, in bringing up this matter explained that it

was one to which the British Empire attached the greatest importance and that it would be impossible to avoid a public discussion on the subject in which arguments on both sides would no doubt be developed. The American and Japanese delegates then stated that this proposal had come as a surprise to them and that they must telegraph for the views of their respective Governments which it might take some days to get.

It is for this reason that His Majesty's Government desire that it should be made clear to the United States Government why the question of reducing capital ships was included in the British proposals. The reasons were as follows:

1st. Desire to carry the principle embodied in Washington Treaty a stage further,

2nd. Desire to help the Preparatory Committee of the League of Nations to achieve better results than heretofore when it resumes its sittings in November by giving it the opportunity of following the example set by the three Naval Powers which should be reflected in the results registered by the Committee,

3rd. Desire to reduce the burden of expenditure which is one of the objects of the reduction of armaments, since it is in battleships that the greatest saving can be effected. In the view of His Majesty's Government this proposal in no way contravenes the letter or the spirit of the Treaty of Washington but is on the contrary an effective furtherance of the spirit of that Treaty since the Five Powers, parties to the Treaty, only bound themselves not to build battleships above a certain size. If therefore before the expiry of that Treaty three of those Powers are willing to reduce the size of their capital ships below the treaty limit, there can not only be no violation of the letter of the Treaty but rather, as already remarked above, an effective furtherance of its spirit.

Sir Austen Chamberlain hopes that the competent authorities of the United States Government will, after these explanations, not misunderstand the spirit that has actuated His Majesty's Government in putting forward these proposals, which seemed to them to be in accordance with the views of the President of the United States in inviting the signatories of the Washington Treaty to discuss the possibility of a further reduction of naval armaments in the spirit of that Treaty. He also hopes that the United States Government will not be under any misapprehension as to the sentiments of His Majesty's Government in regard to this question if they are obliged to give similar explanations to the public in the event of discussions, which may take place later on this subject.

I should be very grateful if you would take an early opportunity of bringing the above to the knowledge of the President.

Yours very truly,

ESME HOWARD

500.A15 a 1/336

*The Secretary of State to President Coolidge*⁵⁰

WASHINGTON, June 28, 1927.

MY DEAR MR. PRESIDENT: I enclose you a copy of a letter I have received from Sir Esme Howard.⁵¹ There is I believe a complete answer to the British claim for the revision of the Washington Treaty at this Conference. None of the Powers can lay down any new ships until 1931 so that there is no object at this time in entering into an agreement for the reduction of the size or the extension of the life of battleships. No ships can be built except for renewals and the first ones to be built can be laid down in 1931, completed in 1934. The Washington Treaty provides for a revision in 1931 at which Conference all the five Powers would be represented. So it seems inadvisable to revise the Treaty four years before any ships can even be laid down, especially as two of the Signatories are not present at Geneva. The plea, therefore, which the British Government is making to the public that this is a matter of economy is without any merit at this time. Parenthetically, I should say that the substance of Sir Esme Howard's letter was given to the press yesterday but I am bringing it to your attention in accordance with his request.

Quite likely there is another reason why the British are very anxious to have an agreement at this time for the prolongation of the life and a reduction in the size of battleships upon renewals. The United States has no capital ships exceeding in size 32,600 tons. The British have two new ships—the *Rodney* and the *Nelson*—about completed which are about 35,000 tons, the most powerful battleships ever built. It would be to Great Britain's advantage, of course, that all renewals should not exceed 30,000 tons or 25,000 tons, whichever is agreed upon, because she already has these two new ships and the United States would be prohibited from building to match them. Personally I think we could afford to cut the size of battleships to 30,000 tons, perhaps less provided in building additional ships Great Britain would agree that we could be compensated by reductions on her part but at present this could not well be done without the consent of France and Italy. In any event, it seemed to the Navy that it would be best not to open up a revision of the Washington Treaty at this time as no one would know to where it would lead. Of course, the Navy claims that we need larger battleships because of their wider range for cruising, we having but few naval bases throughout the world. I do not know how much there is to this but I cannot see that

⁵⁰ Sent to Rapid City, S. Dak., where the President was spending the summer.

⁵¹ Letter of June 27, *supra*.

we would need battleships except for defense and in our Philippine possessions.

We are sending you the important telegrams so that you may keep posted.

Faithfully yours,

FRANK B. KELLOGG

500.A15 a 1/331 : Telegram

*The Secretary of State to the Chairman of the American Delegation
(Gibson)*

[Paraphrase]

WASHINGTON, June 28, 1927—noon.

20. Your No. 35, June 27, 8 p. m. At present there is neither a British Ambassador nor Chargé in Washington. Entire force has moved to the North Shore, leaving only a third secretary at the Embassy who knows nothing about the matter under discussion. There is no use in trying to do any business through Embassy here, as I have informed Sterling who undoubtedly communicated the information to British Government. American Embassy in London has also been furnished with copies of your telegram No. 27, June 23, 9 p. m., and of our No. 11, June 24, 8 p. m., to you. With the latter we included the following instruction:

[Here follows the final paragraph of the Department's telegram No. 138, June 25, 1 p. m., printed on page 56.]

We have not yet heard from Sterling in reply. I shall communicate further with him along lines of your No. 35.

I should prefer not to leave Washington if there is any possibility that my absence would delay or embarrass proceedings at Geneva. Please advise in this respect.

KELLOGG

500.A15 a 1/369

President Coolidge to the Secretary of State

RAPID CITY, S. DAK., June 30, 1927.

[Received July 5.]

MY DEAR MR. SECRETARY: I have your letter of the 28th, with the enclosure from the British Ambassador, both of which I have read with care. Your position seems to me correct and satisfactory.

Very truly yours,

CALVIN COOLIDGE

500.A15 a 1/350 : Telegram

The Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, June 30, 1927—1 p. m.

[Received June 30—12:38 p. m.]

44. [Paraphrase.] Last night Bridgeman sent for Sharkey of the Associated Press and drafted with him the following authorized interview, text of which I deem it wise to cable to Department for its records: [End paraphrase.]

"Great Britain has no intention of contesting the principle of parity between the naval strength of the United States and Great Britain, Mr. Bridgeman, the First Lord of the British Admiralty, said tonight in an exclusive statement to the Associated Press. Mr. Bridgeman added that he was surprised to see that an impression seemed to prevail in some quarters that Great Britain was asking for supremacy. He said that he was not aware of anything that had been said by any of the British delegates that could convey that idea. He continued: 'Our policy has been to state frankly what are the British requirements but we never disputed the American claim for parity as established by the Washington treaty. It is true that we think our special needs demand higher number in certain types of vessels but we do not deny the right of the United States to build up to an equal figure in any type of warship if she thought it necessary. As regards battleships I have seen statements that the possession by Great Britain of the new ships, the *Rodney* and the *Nelson*, would give Great Britain some superiority if her proposals to limit the future size of battleships to 30,000 were adopted but I am sure that a continuance of parity arrived at in Washington in battleships could be secured by a reasonable adjustment of replacement tables.'"

GIBSON

500.A15 a 1/354 : Telegram

The Chairman of the American Delegation (Gibson) to the Secretary of State

[Paraphrase]

GENEVA, June 30, 1927—2 p. m.

[Received 4:55 p. m.]

45. There are summarized below certain changes in the situation which are considered most favorable to us:

1. After apparently planning to justify their claim to superiority in naval strength, the British have weighed the matter and changed their minds. The idea of absolute parity between the United States and Great Britain has been unequivocally admitted by Bridgeman. (Reference is made to my telegram No. 44, June 30, 1 p. m., concerning this.) Bridgeman has told me that he considers it to be preferable

for us to postpone public sessions at this time and he has put an end to the insistence for public debate on the naval needs of Great Britain and the United States. It is felt that your well-timed inquiry through our Chargé at London in regard to this matter was most beneficial to us.

2. It is believed that the British are conscious that they cannot force revision of the Washington treaty by using any rush tactics upon us. The original statement made by Bridgeman has now been publicly qualified by his announcing that the possession by the British Empire of three ships of greater tonnage than those possessed by the United States will necessitate numerous technical adjustments before any arrangement for the reduction of maximum tonnage of capital ships can be reached.

3. A reasonable and sensible spirit has been exhibited in the work thus far done by the technical committees. Although we are conscious that the cruiser problem is one of great difficulty, it is felt that there is a growing desire to reach an agreement and that the United States' position is such that we have no grounds for fears on this score. In regard to the points, tentative agreement has been reached with great ease.

GIBSON

500.A15 a 1/362 : Telegram

The Chairman of the American Delegation (Gibson) to the Secretary of State

[Paraphrase]

GENEVA, July 2, 1927—11 a. m.

[Received 12:20 p. m.⁵²]

53. On the afternoon of July 1, Admiral Hara and Captain Toyoda of the Japanese delegation accompanied Captain Egerton of the British delegation to call on Admiral Schofield for the purpose of informally discussing the problem of cruisers. The conversation was opened by Admiral Schofield, who said that the British claim of 75 cruisers as a necessity for them was so large that it appeared to constitute no limitation whatever. Upon being asked for figures upon which British minimum requirements for total tonnage could be based, Egerton said that an irreducible minimum was 75 cruisers and that the minimum type would displace 7,500 tons. This would therefore total 598,200 tons for cruisers of all classes. It was further stated by Egerton that if the smaller type of cruiser were unacceptable to us the British figure would be increased as, in that

⁵² Telegram in three sections.

event, Britain would require 75 cruisers of 10,000 tons displacement, or 750,000 tons in all. Schofield replied that, since this would in reality constitute no limitation, we could perceive no purpose in entering into a treaty for limitation of naval armaments on such a basis. In support of the British demand, Egerton advanced the explanation that the cruisers above-mentioned would serve the purely defensive purpose of securing and linking up the Empire's trade routes, preventing the interruption of the supply of food to the British Isles, etc.; the pressure for cruisers was very strong in the Dominions he stated and added that there could be no reduction in the number given, which had been reached as the result of careful and thorough study.

In reply the opinion was expressed by Schofield that the publication of such a figure would be very unfortunate since, should an agreement not be reached, the press in each country would be given to unfavorable and mutual criticism which might gravely impair those cordial relations the promotion of which was our fundamental principle. Egerton said that he was fully aware of this but that "they were welcome to criticize until they were blue in the face so far as Great Britain was concerned." The difficulties of the problem were recognized by Captain Toyoda, who said that the two theses appeared so widely separated as to be irreconcilable. During the discussion Toyoda took the attitude of a listener rather than that of a participant.

It was suggested by Schofield that an agreement might perhaps be reached covering the particular period of the treaty proposed and he also suggested that by considering building and scrapping programs it might be possible to find a formula for agreement. To this Egerton replied by saying that this was an entirely new idea which had not as yet been studied; that he felt that it had some promise; he expressed gratefulness to Schofield for advancing it; that it appeared to offer a means of escaping from a dilemma of a serious nature, but that in spite of all this he would have to consult with Bridgeman on this point before he would be ready for any further informal conversations.

Egerton today said that he had spoken to Bridgeman and that Bridgeman had instructed him to state that the delegation of Great Britain would be willing to consider Schofield's idea provided however that we "in advance wholeheartedly" agreed to aspects of the following principles:

- (1) Age limit to be as high as possible;
- (2) The armament for the new type of light cruiser to be of 6-inch caliber;
- (3) 7,500 tons to be the displacement of the new type of light cruiser;
- (4) The number of total tonnage of 8-inch-gun cruisers to be fixed by agreement.

He said that, subject to our agreement on these points, the British would be able to say that their total tonnage arrived at in 1936 would be 462,000 tons. Schofield then asked whether after arriving at that total tonnage the British would agree to refrain from increasing it in subsequent years. Egerton answered that this was an arrangement which was to run only to 1936 and that as the British replaced their 6-inch-gun cruisers they would increase tonnage gradually to a maximum of approximately 562,000 tons. As he understood it, he said, this was simply postponing until 1936 what at present seemed to be a serious difference between the American and British delegations. Schofield then pointed out that the original 1936 proposal was 505,996 tons and that this new proposal came within 40,000 tons, the equivalent of four cruisers, of that total. In conclusion, Egerton said that Bridgeman had stated to him that if the American delegation did not agree to the four above-mentioned points, it was "quite useless for him to waste his time in making studies."

Admiral Jones and I concurred that an answer ought to be made to Captain Egerton to the effect that the United States was not prepared to make promises of a blind character with regard to the acceptance of the four above-mentioned points in exchange for a promise to consider what is a reasonable suggestion, and that, therefore, the question had better be sent back to the technical committee.

I was told today by Saburi that the Japanese delegation was "shocked" by the figures of the British and that it was felt by the Japanese delegation that it would probably be necessary within a few days for the American and Japanese delegates to discuss the matter seriously with Bridgeman urging him to lower the British figures to reasonable proportions which would constitute a general limitation. Saburi stated that the delegation of Japan was anxious for real limitation and he added that he believed that the entire world would be shocked at the proportions of the figures of the British.

I am inclined to doubt that much pressure is being brought to bear on the British by the Dominions so far as the building of cruisers is concerned, as some of the delegations from the Dominions have expressed their entire indifference with regard to this subject and they have said that they were present in Geneva solely to establish the constitutional principle of participation by the Dominions in negotiations which affect the Empire.

Should it become necessary to have a consultation of the delegations of the three powers, we intend to say that if the British are disinclined to reduce their figures in a manner such as will enable them to be incorporated in a treaty for "naval limitation" we think that it would be decidedly more honest for them to publish their figures, together with their justification therefor, and to state quite frankly

that it was impossible to come to an agreement; that therefore we feel that the entire matter ought to be left for the consideration of public opinion until an opportunity presents itself to reach general agreement in 1931.

GIBSON

500.A15 a 1/362 : Telegram

The Acting Secretary of State to the Chairman of the American Delegation (Gibson)

[Paraphrase]

WASHINGTON, *July 2, 1927—11 p. m.*

26. I have consulted the Secretary in regard to your No. 53, July 2, 11 a. m.

No proposition by British delegation which sets total cruiser tonnage figure to be arrived at before 1936 at a higher figure than 400,000 tons, a figure which itself this Government considers excessive, would make conclusion of an agreement worth while at present time. You may either formally or informally inform British delegation of this view whenever you deem expedient. Unless I receive your advice to the contrary, I intend to consult the Canadian and the Irish Legations to ascertain whether either of these Governments has demanded extensive increases in tonnage; you may, in your discretion, so inform the British delegation. I should like to know if you wish me to take up the matter with the Japanese Ambassador also.

OLDS

500.A15 a 1/367 : Telegram

The Chairman of the American Delegation (Gibson) to the Secretary of State

[Paraphrase]

GENEVA, *July 4, 1927—noon.*

[Received July 4—10 a. m.]

58. Department's No. 26, July 2, 11 a. m. [*p. m.*]. The British have been informed by us already that we do not consider that the figures which they suggested constitute any real limitation and that unless they are willing to consider more reasonable figures we would be averse to concluding any agreement.

Concerning the demands for increased tonnage by the Canadian and Irish Governments, we would advise against asking their representatives in Washington for this information, as both Ministers very likely would feel that they should support any measure emanating

from the British Government; we are obtaining this material here in a most casual manner and it is believed that our inquiries will be fruitful of more accurate figures than if formal inquiries were made by the Department in Washington.

While no objection is perceived to discussing the situation with the Japanese Ambassador in Washington, we cannot see where any particular advantage would be gained by such a course, as we are working here with the Japanese delegation on a basis of full and frank agreement.

GIBSON

500.A15 a 1/362 : Telegram

The Secretary of State to the Chargé in Great Britain (Sterling)

[Paraphrase]

WASHINGTON, July 5, 1927—11 a. m.

147. Following is text of telegram from Gibson, July 2, 11 a. m. :

[Here follows the text of telegram No. 53, printed on page 66.]

Tonnage figures suggested by Captain Egerton are considered by Department to be so excessive as to be beyond consideration by this Government. Better attempt no limitation at all than to go before the world with a proposition which almost doubles present British cruiser tonnage which, built and building, is 387,000 tons, of which approximately 60,000 approaches the age limit. Would British budget stand such a building program? If you think that any useful purpose would be served, I should be glad to have you express our views to Baldwin on account of apparent contradictions in British Government's attitude; or, if you are unable to see him, discuss matter with Chamberlain.

KELLOGG

500.A15 a 1/371 : Telegram

The Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, July 5, 1927—6 p. m.

[Received 6:52 p. m.]

60. At a meeting of the technical committee this morning the Japanese delegation announced that they had received instructions authorizing them to withdraw their proposal that submarines of less than 700 tons be exempt from limitation but would request special consideration for allocation of submarine tonnage.

Upon reopening the question of cruisers and upon request of British delegation, Admiral Jones read the following statement as the American suggestion of a method of eventually reconciling the British proposal based on numbers with the American proposal based on total tonnage:

"The position of the United States delegation is that we cannot discuss cruiser tonnages in excess of 400,000 tons for the period ending December 31st, 1936.

That during that period we would require full liberty of action to build 10,000-ton cruisers up to a total of 250,000 tons, recognizing at the same time the full rights of other powers to build cruisers of similar characteristics up to tonnages in accordance with the principles of the Washington treaty.

That we have no intention or desire to replace the ten cruisers of the *Omaha* class carrying 6-inch guns during the period, except in the case of loss of one or more of those units.

That, in an effort to meet the British viewpoint regarding a limitation in the number of large cruisers, we are willing for this period and without prejudice to future action to limit our further construction without a total tonnage limitation of 400,000 to vessels of a smaller tonnage to be agreed upon.

We do not see any reason for limiting the caliber of guns at [*in the?*] smaller class of cruisers to anything different from that in the larger class.

We believe that each power should have full liberty at design and armament of a smaller class of cruisers should such a class be adopted for the period in question.

This statement of American policy should be construed as our maximum effort to meet the British viewpoint.

We greatly prefer that within a total tonnage limitation and within the characteristic cruisers provided for in the Washington treaty that each power enjoy full liberty of action.

We invite attention to the fact that our original proposal was for a total tonnage limitation in the cruiser class of between 250,000 and 300,000 tons. We still ardently desire that the total tonnage limitation of cruisers to be agreed upon shall be very much lower than 400,000 tons as we believe that an agreement on such a figure would be an extremely useful service to the cause of limitation. If it is found possible to agree upon a figure materially lower than 400,000 tons, the American requirements regarding cruisers of the larger class could be revised downward.

Any limitation on the basis of a cruiser tonnage in excess of 400,000 tons we regard as so ineffective a limitation as not to justify the conclusion of treaty at this time."

The meeting then adjourned to afford opportunity for study and consultation regarding cruiser limitation.

GIBSON

500.A15 a 1/372 : Telegram

The Chairman of the American Delegation (Gibson) to the Secretary of State

[Paraphrase]

GENEVA, July 5, 1927—7 p. m.

[Received 7:18 p. m.]

61. In an endeavor to settle the cruiser problem, I requested Saburi to come over this morning to discuss with me just what steps we might take now in that direction.

Saburi informed me that the Japanese delegation were of the opinion that the building of 400,000 tons of cruisers by Great Britain and the United States would necessitate more naval construction by their Government than it wished to undertake; and that, sooner than agree to any such tonnage figures, the Japanese delegation would return to Japan without a treaty. He suggested, as he had in previous conversations, that the American and Japanese delegations have a conference with Bridgeman and urge upon him the absolute necessity of cutting down the British figures. The American views, I informed him, had already been given emphatically to the British delegation and I was of the opinion that the greatest effect would be obtained if Saito took the initiative and impressed upon the British the absolute necessity for a material revision downward in their figures. If such action were taken by Saito, I told him, he would have the strong support of the American delegation. Saburi said that he considered this a good policy to pursue, and it was agreed that the American and Japanese delegations should have a preliminary conference tomorrow (Viscount Ishii being absent from Geneva today) after which we will be prepared to make an appointment with Bridgeman to discuss the matter. In the hope that Bridgeman will be influenced by the newspaper comment regarding the desirability of lower cruiser figures, it seems best for us to permit a day or two to pass before interviewing Bridgeman. Saburi was assured by me that the American delegation would welcome the Japanese delegation's demand that the British revise their cruiser figures downward and that we would use all our influence to support them.

GIBSON

500.A15 a 1/376 : Telegram

The Secretary of State to the Chairman of the American Delegation (Gibson)

[Paraphrase]

WASHINGTON, July 6, 1927—6 p. m.

27. In the course of a conversation this morning with the British Ambassador he said he had been authorized to state that his Govern-

ment had no intention of disputing our right to parity with Great Britain. The Ambassador further stated that he received instructions to raise question of reduction in size and extension of life of battleships, as his Government felt that a change in the Washington agreement would not be constituted thereby.

In reply I stated that we did not expect to take up question of Washington agreement at this time and that question of economy in connection with British suggestions did not come up, in reality, until 1931, at which time all the parties would have to meet. I replied to his objections that plans for laying down vessels would have to be made before 1931, by stating that date of Conference could be advanced, by agreement among the parties, to January 1931.

I informed the Ambassador that the Japanese Ambassador had told me that Japanese delegation had been instructed to discuss subject of reduction in size and extension of life of battleships to become effective after 1931, but only to enter upon this discussion after agreement had been reached respecting other classes of vessels and not with view to revising Washington agreement at this time. I said I thought there would be no objection to such a discussion.

I took occasion to point out to the Ambassador that any extension in life of battleships would still further put off time when we could arrive at equality with British Navy. He thought I was mistaken and said he would send me a memorandum on the subject.

I then stated, as my belief, that the Conference was in somewhat critical position owing to very large tonnage demands which the British delegation had made, and I said that a limitation agreement which would have effect of almost doubling Great Britain's cruiser tonnage would provoke open ridicule and that the United States would never accept it. He remarked that the best thing to do then would be to give up the whole Conference, to which I replied that that might well be the case as we could not sign a treaty embodying any such figures as the British had proposed. The Ambassador said that it was his impression, gained from what the President had said, that the object to be attained was a limitation and that the actual figures were not important. I told him that the matter had been most carefully considered by the President, by the Navy Department, and by the Department of State and that I knew for a certainty that the President had no idea that the British would demand a tonnage so excessive. I went on to ask him against whom this enormous number of cruisers was needed, as only this country and Japan now possessed first-class navies. He mentioned the Mediterranean countries, and I reminded him that any treaty signed by the three powers now in Conference at Geneva would contain a clause empowering any one of parties to it to call for revision of the treaty;

should that party feel itself threatened by building program of any power not a signatory.

Do you share with me the opinion that there would be no objection to discussing informally, after agreement has been reached on auxiliary vessels, the reduction in size and extension of life of capital ships on understanding that such discussion should be merely of preparatory nature to clear way for 1931 Conference?

KELLOGG

500.A15 a 1/380 : Telegram

The Chairman of the American Delegation (Gibson) to the Secretary of State

[Paraphrase]

GENEVA, July 6, 1927—6 p. m.

[Received July 7—2:30 a. m.⁵³]

63. This morning, accompanied by Admiral Jones and Dulles, I saw Bridgeman, who was most desirous for an interview. With Bridgeman were Cecil and Admiral Field; and the cruiser question was debated at length, somewhat tensely by the British delegation. In answer to Cecil's heated inquiry whether the statement delivered to the technical committee (my telegram No. 60, July 5) was an ultimatum, I replied that our negotiations were not carried on by ultimata but that Admiral Field had requested Admiral Jones for his reaction to the British proposals during the debate on the cruiser question in the technical committee.

Following this, Cecil reiterated the well-known arguments concerning the British need for protection of food lines and Admiral Field outlined the reaction of the British Navy to the American proposals. Stressing the Empire's vital necessity for numbers in the matter of cruisers, he interpreted the American proposal of 400,000 tons to mean that Britain could only construct fifteen 10,000-ton ships to our twenty-five and that the remainder of their tonnage would be used in vessels too small to be of value, that is, about sixty ships of about 7,800 tons each. This he said would make them only equal to the Japanese in 10,000-ton cruisers and far below the United States in combat strength, and any further decrease in larger cruisers to permit more smaller vessels would actually leave the Japanese superior to them in this regard.

We were then pointedly questioned as to our real aims in pressing for the building of 10,000-ton 8-inch-gun cruisers, which they criticized as constituting the large offensive type. It was our insistence

⁵³ Telegram in two sections.

upon this type of cruiser, which they claimed they eventually wished to eliminate, that compelled them to demand such high tonnage levels as were imputed to them. In conclusion, we were closely interrogated as to our reasons for mentioning this type of cruiser and they warned us that the result of our suggestions would either be to give the United States an absolute supremacy in offensive cruisers or compel the British to abandon construction of the small defensive type, which in view of the Empire's needs were in their opinion essential.

They held that the reduction of the offensive power of fleets was the basic object of the parley; and minimized the importance of reduction of total tonnages as not going to fundamentals. Total tonnage thesis, they said, would only inspire each country to construct the greatest number of maximum-sized ships and increase fleet offensive power.

It is my desire in the foregoing to outline the views of the British and give them in the tone in which they were rendered. The wisest course to pursue, I thought, was to give the British the floor, and in answer to their questions as to the need of 10,000-ton cruisers, Admiral Jones merely emphasized the view of the United States Navy, with which you are entirely conversant.

As a compromise and to satisfy the necessity of the British for a great number of cruisers, Admiral Field launched the idea of limiting only cruisers under the age of 20 years and permitting the retention of all cruisers exceeding 20 years.

We dispersed without a solution having been reached, but decided that we should all review the entire question with great care. The meeting lasted an hour and a half, towards the end of which the atmosphere had brightened considerably and Bridgeman on leaving remarked in a friendly way that our general attitude was clear to him and only time was needed to solve matters. His demeanor, which throughout had been good-natured, formed a marked contrast to Cecil's.

On Friday, the executive committee will meet to hear the report of the technical committee outlining tentative agreements reached in reference to destroyers and submarines, such agreements being of course dependent upon the outcome of the cruiser problem.

In the meantime, the British proposal for the retention without limitation of cruisers over 20 years old will be considered and we shall also discuss privately and technically with the English the proposal that cruiser-building programs up to 1936 should be dealt with by the treaty.

GIBSON

500.A15 a 1/377: Telegram

The Chairman of the American Delegation (Gibson) to the Secretary of State

[Paraphrase]

GENEVA, July 6, 1927—9 p. m.

[Received 10:10 p. m.]

64. The British and American delegates, at the invitation of Viscount Saito, met informally with the Japanese delegates at the Hotel Beau-Rivage, at which time the memorandum given below was circulated by the Japanese delegation. Viscount Ishii stated that the Japanese delegation desired to lay their views informally before the other two delegations as they had not given any intimation at the meeting of the technical committee regarding the total tonnages which Japan considered adequate. The views expressed by the Japanese at this informal meeting would be presented to the executive committee in a more formal way at a later period, he said. (For an outline of developments during the meeting of the technical committee, see my telegram No. 65, July 6.)

Following is text of Japanese memorandum:⁵⁴

"It will be remembered that in the statement made by the Japanese delegation at the first plenary meeting emphasis was laid upon the existing status which they proposed should form the basis of any allocation of tonnages that might be decided upon at the present Conference.

According to the basis of calculation as submitted by the Japanese delegation the surface auxiliary strength of the British Empire would be 472,000 tons.

The tonnage allocation suggested by the American delegation in regard to surface auxiliary vessels is from 450,000 to 550,000 tons for the United States and British Empire, subject to the intimation that the United States would welcome any proposal for still lower tonnage levels.

Limitation being our main object it would seem to the Japanese delegation that the adoption in principle of the minimum figure proposed by the United States delegation as a basis of our discussion would be a course most conducive to a speedy consummation of the task before the Conference.

If consequently we may take the figure of 450,000 tons for the United States and British Empire as a basis, the Japanese delegation would propose for the tonnage to surface auxiliary vessels to be allotted to Japan a figure of somewhat above 300,000 tons; it being understood that they are quite prepared at the same time to accept reduced figures in concert with the other delegations.

In addition to this the Japanese delegation desire now to propose a figure of around 70,000 tons for Japan in respect of submarines."

GIBSON

⁵⁴ Memorandum not paraphrased.

500.A15 a 1/379 : Telegram

The Chairman of the American Delegation (Gibson) to the Secretary of State

[Paraphrase]

GENEVA, July 6, 1927—10 p. m.

[Received July 7—1: 15 a. m.]

65. My No. 64, July 6, 9 p. m. At the conclusion of the statement by Saito, I said that it was gratifying to learn that the proposals made by the Japanese called for low figures for surface craft falling generally within the tonnages originally proposed by the American delegation and that we thought the most careful consideration should be given them. Immediately Lord Cecil, Bridgeman, and Admiral Field began an attack upon the proposals of the Japanese, giving the impression that they deemed it impossible for Great Britain to consider the tonnage advocated by the Japanese. It was pointed out by them that a destroyer tonnage of 220,000 tons had been tentatively agreed upon by the technical committee for the United States and Great Britain and that under the Japanese proposals only 230,000 tons of cruisers would be allowed them.

Viscount Ishii, in a most emphatic manner, said that the Japanese delegation had come to Geneva to lower naval armaments, and not to increase them, and that he trusted that the Japanese proposals would be accepted as a basis for future discussion by the Conference.

As evidently being too remote from the cruiser requirements to merit consideration, the British appeared to be unwilling to participate in any discussion of the Japanese proposals. The idea of a possible treaty to define and limit cruiser-building programs until 1936 was again brought forward by them and it was also suggested by Bridgeman that the possibility of permitting retention without limitation of cruisers exceeding 20 years in age be made the subject of further study. It was agreed that these proposals should be informally considered by experts, but the discussion was not completely finished. The Japanese, both informally and formally, have insisted upon tonnage levels which would represent genuine limitation; and the American delegation is firmly convinced of their sincerity in this regard. It is true their memorandum intimates a desire for an extension of the 5-3 ratio, but it is not far removed from that ratio and it is believed that their figures might be scaled down through appropriate negotiation.

Through their fear as to their position in resisting the American and Japanese proposals for low tonnage, the British are attempting to cloud the issue by emphasizing that it is extremely difficult for them to reduce their total tonnage levels when considering our demand for

a large number of cruisers of the 10,000-ton class. They endeavored, with some success, several times during this afternoon's conversation to obtain the Japanese support to their opposition to continued construction of the bigger cruisers. It is evident that the British have no intention of accepting anything along the lines of the Japanese proposals, but it may be the means of making them more reasonable to learn that they stand alone in their demands for a large cruiser tonnage and, with this idea in view, I propose on Friday at the meeting of the executive committee to make a statement that the American delegation is entirely in agreement with the Japanese delegation concerning the general lines to be followed if we expect to achieve any real naval limitation at the present conference.

GIBSON

500.A15 a 1/381 : Telegram

The Ambassador in Great Britain (Houghton) to the Secretary of State

[Paraphrase]

LONDON, July 7, 1927—noon.

[Received July 7—10:05 a. m.]

156. Department's No. 147, July 5, 11 a. m. Nothing could be gained at this time, in my opinion, by approaching either Baldwin or Chamberlain along the lines indicated.

I do not know whether the figures given at Geneva do really disclose the minimum demand of the British in cruisers, but I am convinced that once that minimum is made known, no considerations of economy will be permitted to interfere with carrying it into effect; in that respect Bridgeman undoubtedly voices the policy of the Cabinet.

I doubt, moreover, if any pressure here will prove effective; but if you want me to try I suggest that I emphasize following points in event that no agreement is in sight: (1) American people will look upon the very material sacrifices they made to achieve the Washington treaties as having been made in vain; (2) they would assume with reason that the British, instead of seeking limitation, were simply attempting to substitute multitude of small naval units in place of fewer and larger units; (3) American interests, by reason of our lack of naval bases, would be better served through use of larger battle cruisers; (4) in all probability this means scrapping of the Washington treaties in 1931; (5) extent of ill feeling aroused will be incalculable and will no doubt have world-wide effect; (6) among other results

any possibility which now exists of debt settlement revision as far as Great Britain is concerned would be definitely and finally ended. Of course I should merely indicate such arguments as outlined and keep my interview as personal as possible, and I should endeavor to give impression that interview came about because of my personal anxiety over situation. If you approve please advise.

As I have said, it is my own belief that the British are working towards a well-matured plan which both Cabinet and Admiralty have already approved and the essentials of which will not be modified. It seems to me that under these circumstances we have but two alternatives: either accept British proposal and content ourselves with insisting upon parity, or try to postpone all action until 1931 when the entire question of naval armament can once again be brought up. If first alternative be chosen I suppose the larger the British demands are the more reasonable will our position appear before the world.

I have no doubt that at present the British Government can put the matter before their people in such a way as to obtain acceptance of their program.

If you wish, I shall repeat to Geneva.

HOUGHTON

500.A15 a 1/381 : Telegram

*The Secretary of State to the Ambassador in Great Britain
(Houghton)*

[Paraphrase]

WASHINGTON, July 7, 1927—4 p. m.

151. Your No. 156, July 7, noon. It would be useful, I think, for you to try to see either Baldwin or Chamberlain and discuss entire situation in accordance with your six suggestions, except that I should deplore any mention of the debt settlement as open to serious misinterpretation. It seems to me that you also should add that public opinion in the United States is unanimously opposed to idea conveyed by the very extensive British cruiser program and that public opinion here is likely to see in that program a threat to this country, as there can be no other power against whom Great Britain would feel necessity of protecting herself to the extent she seeks, and as any projected treaty would include safeguard clause which would make possible examination of treaty for revision in the event of threatening building programs by any other powers.

KELLOGG

500.A15 a 1/383 : Telegram

The Chairman of the American Delegation (Gibson) to the Secretary of State

[Paraphrase]

GENEVA, July 7, 1927—11 p. m.

[Received 11:15 p. m.]

68. Mr. Saburi, of the Japanese delegation, called on me this evening to inform me that Viscount Saito intended to submit to the executive committee meeting on Friday the Japanese proposals reported in my telegram No. 64 of July 6. He wished to impress on me the fact that the Japanese were entirely sincere in their desire to arrive at an agreement that would approximate the lower figures for tonnage contained in the original American proposals; that substantial increases from those figures would necessitate large building programs, and that Saito, with the approval of his Government, had decided to abandon the Conference rather than go back to Japan with any agreement which would add to the burden of taxation. He stated that the Japanese delegation would make this aspect of the situation absolutely clear.

Should the Japanese delegation remain inflexible, I doubt very much that the British would be willing to reduce their figures to a degree sufficient to enable any agreement to be brought about.

GIBSON

500.A15 a 1/384 : Telegram

The Chairman of the American Delegation (Gibson) to the Secretary of State

[Paraphrase]

GENEVA, July 7, 1927—midnight.

[Received July 8—3:38 a. m.⁵⁵]

69. Should there be absolute inability to agree and consequent breaking up of the Conference in spite of our sincere endeavors to arrive at an agreement, it is important that we should not be unprepared to deal with the situation thus created; and should this eventuality occur, we have, after careful study, worked out the following line of action which we beg to submit for your consideration:

Should the closing of the Conference become inevitable as a result of the uncompromising stand of Great Britain in the matter of vastly increased cruiser tonnage, we would suggest, in the first place, a private

⁵⁵ Telegram in two sections.

conversation with the chief delegates in order to bring out strongly the fact that the promotion of good understanding between Great Britain, Japan, and ourselves constituted the basic object of the President in convening the Conference; that such an understanding was to the highest interests of all of us and that no other factors should permit us to forget this; that therefore a public session be held to give out frankly and impartially the news of the breaking up of the Conference; and that each delegation should be free to set forth in any manner it pleased its own particular difficulties and the reasons which rendered the agreement impossible.

Should this procedure be acceptable, I would, with your approval, repeat in the strongest terms the basic wish of the United States to foster amity between the three powers and our disinclination to permit our friendly relations to be in any way diminished by the failure to reach an accord at Geneva; that if our respective viewpoints were published in an amicable way so that the questions could be studied in the coming four years by public opinion which might assist in finding an answer thereto, the Conference would not have been held in vain; that the opinion of our delegation was that a basic divergence in our concept of maritime armaments and not a mere difference of opinion as to technical matters was the cause of our inability to agree; that we believe the naval necessities of one country to be conditioned upon the strength of other nations, whereas the British consider maritime requirements to be absolute and not proportioned upon the armaments of other powers; that no Conference would in our view be necessary should the British conception be correct, since, according to it, each nation would decide upon its own absolute requirements and no abatement or reconsideration of these needs could be entertained; that our view, however, of relative naval requirements, in which the Japanese concur, permits a mutual downward revision so far as possible with proper regard to the fleets of those powers not party to the treaty and that it was upon the cruiser tonnage level that our insistence lay. The strength maintained by any one of the three powers concerned would necessitate readjustments by the other powers in corresponding measure; that viewed from this standpoint, the insistence of the British delegation upon high levels of tonnage in cruisers would revise our needs automatically upward to such an extent that no real limitation would be achieved but, rather, should a treaty result, a program of naval expansion would be legalized; that while the American delegation would be glad to sign a treaty which could be defended as providing for limitation, it was our opinion that it would be more honest to the American people and to the world, and more likely to promote intelligent consideration of naval questions, to dissolve the Conference

without arriving at an accord rather than to reach an agreement providing for a limitation which would not be genuine.

We should be able in conclusion to evidence a proper appreciation of the attitude maintained by the different delegates during the Conference and could indicate the hope that those views which all of them had set forth would in any event bring about the stimulation of our different nations to view in a friendly manner each other's problems and to work out some equitable and sensible limitation or reduction of naval armaments before the 1931 Conference.

GIBSON

500.A15 a 1/384 : Telegram

*The Secretary of State to the Chairman of the American Delegation
(Gibson)*

[Paraphrase]

WASHINGTON, July 8, 1927—2 p. m.

30. Your No. 68, July 7, 11 p. m., and No. 69, July 7, midnight.

1. Department approves suggested conversation with the chief delegates with view of impressing on them in every reasonable way fact that disruption of Conference would be disastrous for all parties and would inevitably be the beginning of a competitive building program which would make any agreement in 1931 more difficult to reach.

2. If you finally come to point where agreement seems impossible, I think you should adjourn for a week at least and give Department results of your final conferences together with figures of limitation on which British insist, as the Department would wish to submit entire matter to the President. A week of adjournment might afford opportunity for mature consideration of existing proposals as well as for sober reflection on part of all the Governments concerned.

3. If Conference fails and public meeting is called for purpose of permitting each delegation to state its position, or, should no public meeting be called and each delegation is left to make its position public, the Department believes you should make full statement of position of this Government. General statement you propose is well enough as far as it goes, but the Department believes that you should emphasize point that the President called Conference for purpose of limitation of armament, not to lay foundation for world-wide naval expansion. It is all right to lay emphasis on fact that a favorable outcome of Conference would enhance good feeling among the three countries parties to it and would create favorable impression throughout world, but I do not think that this was fundamental purpose back of calling Conference, which

was, rather, to obtain a reasonable limitation on naval construction and to prevent competition. If the only powers which have considerable navies are willing to make reasonable limitations, the United States is not able to understand why the British Government finds it necessary to create so large a sea force when the United States and Japan are the only countries against which there is any necessity for building large navies. Neither British safety, nor British trade routes, nor British foreign possessions could possibly be endangered by navy of any other power, and should any other power start a building program of proportions to constitute a danger, the treaty would contain clause protecting not only Great Britain but any other signatory power.

I suggest also that you consider wisdom of including in your statement mention that the British accepted Secretary Hughes' proposition at Washington Conference in 1921 for limitation of 450,000 tons on both cruisers and destroyers (*Proceedings of Washington Conference on Limitation of Armament*, pp. 86 and 100). The Department is utterly unable to understand why, five years later, there is any justification for a cruiser tonnage which alone exceeds this combined figure. If result of Conference cannot be fairly interpreted by world opinion as self-denying ordinance entered into freely by the great naval powers, it then possesses no value whatever and will do endless harm. If the three great naval powers are unwilling to make concessions in order to stop competitive construction in sea forces, what can be expected of the other countries? The example to the lesser powers would certainly be very unfortunate.

Great stress is being laid by British press on view that Great Britain has proposed great economies through reduction of size and extension of life of battleships; but no mention is made of fact that no economy can result from any agreement on that score before 1931. I offer suggestion that it might be well to state that the United States had been willing to discuss with the other two powers at this Conference a program of reduction in size and of extension of life of battleships in 1931, but that as all the parties to the Washington treaty are not present and as no country can build any new battleships until after 1931, it would be useless to hold Conference for that purpose at present. Certainly, the increased building program of cruisers and the cost of their maintenance would more than offset any possible economies in battleships. If regrettable position is reached that Conference must be abandoned, careful consideration should be given to any statement to be made and time allowed for its consideration at Department and by President.

The foregoing is to assist you in preparing a statement to be submitted here for approval.

KELLOGG

500.A15 a 1/388 : Telegram

*The Ambassador in Great Britain (Houghton) to the Secretary
of State*

[Paraphrase]

LONDON, July 8, 1927—5 p. m.

[Received July 8—2:25 p. m.]

157. Department's No. 151, July 7, 4 p. m. I saw Chamberlain at noon today, making it clear to him that I had come on my personal responsibility since I believed that it was my duty to acquaint him with the unfavorable impression created by the British naval proposals in the United States. I stated that while the change of sentiment there could not be forecast, there was a growing fear lest sacrifices made at Washington with regard to naval bases and ships had been in vain; and said that the belief appeared to be increasing that Great Britain was now endeavoring to return to her dominant position, after having succeeded in limiting the size of battleships, by constructing a quantity of small ships which were suited to her needs but not to ours. I encountered a most sympathetic attitude on the part of Chamberlain, who set forth the causes for the present position taken by Great Britain and stated that the tonnage demanded was based upon careful calculations which had been favorably passed upon by three succeeding governments of different parties. In reply I indicated that while I recognized their duty and right to provide for ships which might be necessary, I felt nevertheless that since the German fleet had virtually disappeared and other nations were unable financially to provide for extensive building programs, it was difficult to see the necessity for so great an increase in British tonnage at this time, especially since treaty stipulations would meet any necessity which might arise by reason of an important building program on the part of any other nation. I then asked Chamberlain whether, under any conceivable circumstances, Great Britain could regard America as an enemy and received a vehement answer in the negative, together with a statement that any war between America and the British Empire would inevitably lead to the disintegration of the latter. In the subsequent discussion of a possible program Chamberlain made the complaint that whenever an offer was advanced by the British to reduce total tonnage the American representatives insisted that the United States would build only cruisers of a large size. He said further that Great Britain had already conceded equality in ratio but was unable to yield in the matter of permitting superiority in large cruisers to be established by the United States. In answering this objection I

stated that, while I was unable to speak authoritatively, the assumption that if a low enough total tonnage were agreed upon the adjustment of classes of cruisers should not present any insuperable difficulty seemed to me mere common sense. At the end of our conversation Chamberlain expressed his thanks and indicated that the gravity of the situation was fully appreciated by him and that, while not hopeful, he would at once consult Baldwin and Lord Balfour.^{55a} He added that within a day or two he would see me again. Any further developments will, of course, be fully reported to you.

By reason of my talk with Chamberlain, I am again impressed with the fact that a very mature and carefully worked out plan is being followed by the British delegates at Geneva. Nevertheless, I am certain that what I said about the effect of British proposals on the people of the United States, as well as on the other peoples of the world, did not fail to impress Chamberlain. I believe that should it be possible to keep total tonnage under 400,000 tons it will be regarded in London, and should be regarded by us, as a material concession to the American views. I venture to suggest that our own representatives do nothing meanwhile to weaken the position taken by me.

HOUGHTON

500.A15 a 1/395 : Telegram

The Ambassador in Great Britain (Houghton) to the Secretary of State

LONDON, *July 9, 1927—10 a. m.*

[Received July 9—7:22 a. m.]

158. Last evening I received the following communication from Chamberlain:

"I immediately communicated to the Prime Minister and the colleagues whom I named to you the substance of the conversation of this morning, and this evening we met to discuss it with the close attention which it required.

We are at this moment expecting further telegrams of great importance from our delegation at Geneva which may have a very important bearing on the points you and I discussed. We must, therefore, await them before taking any decision. It is possible that they may require personal consultation with the representatives and that we may, therefore, have to ask for a short adjournment at Geneva, but I hope in any case to be in a position to make a further communication to you on Monday.

^{55a} Arthur James, Lord Balfour, Lord President of the Council; Lord Balfour was head of the British delegation at the Washington Conference on the Limitation of Armament, 1921-1922.

We greatly appreciate the friendly feelings which inspired your initiative. We, ourselves, are much concerned at the course which the public discussion of these questions has taken and we shall, you may be sure, do anything we can to find a solution on which all can agree."

HOUGHTON

500.A15 a 1/402

The British Embassy to the Department of State

MEMORANDUM

His Majesty's Ambassador has been desired by His Majesty's Principal Secretary of State for Foreign Affairs to make the following communication to the Secretary of State in explanation of the attitude adopted by His Majesty's Government at the Three Power Naval Conference now proceeding at Geneva. This communication is practically identical with that which was made two days ago at Geneva by Mr. Bridgeman, First Lord of the Admiralty, to the American Delegation.⁵⁶

His Majesty's Government in Great Britain has always sympathized with President Coolidge's desire to carry out yet further work of naval disarmament which was begun at Washington in 1921-1922 with such happy results. Geneva Conference was therefore begun under fortunate auspices and has, so far as His Majesty's Government are able to judge, been doing much valuable work. But they note with regret that in certain quarters their policy has been misunderstood and in consequence misrepresented.

The essential principles accepted at the Washington Conference referred only to capital ships and aircraft carriers: and with regard to these it was agreed between three leading naval Powers that they would accept for a period of at least ten years certain limitations as to numbers, armament, tonnage and replacement.

If the Washington policy is now to be extended it can only be in one or both of two ways. The cost of capital ships may be still further reduced and limitations may be devised in respect of vessels other than capital ships—i. e., vessels about which the Treaty of Washington is silent. On both of these possible lines of advance the British delegation was instructed to lay suggestions before the Conference.

In regard to the first of them, however, they desire to say nothing at the present moment. In deference to what they understand to be the desire of the Conference they reserve their proposals until a later stage. His Majesty's Government do not think these proposals

⁵⁶ Presumably the conversations reported by Mr. Gibson in telegram No. 63, July 6, 6 p. m., p. 64.

are likely to occasion any serious difficulty, but it is clear it is under this head that the most important economies may be anticipated. The questions raised by any proposal to limit the number of cruisers are of a more complex character. The suggestions of His Majesty's Government are broadly as follows:

They propose to divide cruisers into two classes—heavy and light; and to adopt for heavy class the same principles as those adopted at Washington in the case of capital ships. They think, in other words, that their size and armament might with advantage be limited and that the numbers permitted to each treaty power should be in the Washington ratio.

This seems to His Majesty's Government to be a reasonable application of an accepted principle to the case of heavy cruisers. But when light cruisers come to be considered wholly different conditions must be taken into account.

It is of course true that a fleet of a given size requires auxiliary vessels of a given number whatever may be the position of the country to which the fleet belongs or seas in which it is required to operate. On this point there need be no dispute. But in addition to these auxiliary vessels cruisers are required by all maritime countries to perform duties quite unconnected with organized fleets and by no country so much as by the British Empire.

Special position is of course due to a geographical subdivision which has no parallel in history. In times of peace small difficulties and disorders wholly without international significance which in states differently situated would be dealt with by police or a frontier guard may often make it necessary to send cruisers. In times of war the insular position of Great Britain and the seas which divide it from its colonies and from self-governing communities with which it is associated within the Empire present even greater difficulties—difficulties not always present to the imagination of those who live and think in terms of great continents. During the Washington Conference this point was dealt with by Mr. Balfour in words which it may be worth while to recall.⁵⁷ "Most of my audience (he said) are citizens of the United States. The United States stands solid, impregnable, self-sufficient, all its essential lines of communication completely protected from any conceivable hostile attack.

"It is not merely that you are a hundred and ten million population; it is not merely that you are the wealthiest country in the world; it is that configuration of your country is such that you are wholly immune from particular perils to which from nature of the case the British Empire is subject.

⁵⁷ For text of Mr. Balfour's address at the second plenary session of the Washington Conference, see *Conference on the Limitation of Armament, Washington, November 12, 1921–February 6, 1922* (Washington, Government Printing Office, 1922), pp. 96 ff.

"Suppose for example that your Western States were suddenly removed ten thousand miles across the sea. Suppose that the very heart of your Empire was a small and crowded island depending upon overseas trade, not merely for its luxuries, but for the raw material of those manufacturers [*sic*] by which its superabundant population lives and for the food upon which they subsist. Suppose that it was a familiar thought that there was never a moment of the year when within the limits of your state there was more than seven week's food for its population and that food could only be replenished by overseas communication. If you will draw this picture and if you will realize all that it implies you will understand why it is that no citizen of the British Empire, whether he be drawn from the far Dominions of the Pacific or lives in a small island in the North Sea, can ever forget that it is by sea communication that he lives and that without the sea communication he and the Empire to which he belongs would perish together."

How can an Empire thus situated voluntarily surrender its right to live? How can it abandon by formal treaty the possibility of cooperation in mutual defence between communities which owe a common allegiance though divided from each other by all oceans.

These are considerations which may surely appeal to all. Yet it has been stated that the objection felt to surrender of the liberty to construct a fleet required by the special conditions of the British Empire is due, not to inevitable necessities of self-defence, but to an arrogant desire for maritime superiority. Great Britain, it has been said, refuses "parity" to the United States. The statement has already been formally contradicted. It is wholly without foundation. What are the facts? The President of the United States has invited the British Government to take part in a conference summoned to diminish the burden of naval armaments. They gladly responded to the call. They accept the principle announced by Mr. Gibson (who presides over the Conference) the principle "that the navies should be maintained at the lowest level compatible with national security". They do not dispute the right of the United States to build cruisers in numbers sufficient to secure this object, but they cannot surrender a similar right for themselves. It is their manifest interest to build no more than they must; it is not less their duty and their intention to promote the world's desire for a diminution of armaments. They do not for a moment suppose the United States, which has summoned the Conference to further this great ideal, will ever be influenced in their naval policy by any motive but desire for national security or that in their estimate of naval requirements of different states the geographical considerations will be ignored.

WASHINGTON, 9 July, 1927.

500.A15 a 1/394 : Telegram

*The Secretary of State to the Chairman of the American Delegation
(Gibson)*

WASHINGTON, July 9, 1927—3 p. m.

33. Your 68 and 69, together with my reply No. 30, were telegraphed to the President yesterday. This morning the following telegram was received from him:

"Tell Gibson what is needed is not excuse or soft words but clear strong statement of American position. Let blame fall where it may. Your plan approved."

Do not construe this to mean that you should not give expression to sentiments of friendly attitude and good feeling but our position should be made perfectly plain when necessity arises. You are at liberty to use your discretion in using any suggestions contained in my telegram No. 30, July 8, 2 P. M. at plenary session on Monday. Unless you see reason to the contrary and the British Government makes their position clear, think you should do the same.

KELLOGG

500.A15 a 1/400 : Telegram

*The Chairman of the American Delegation (Gibson) to the Secretary
of State*

GENEVA, July 9, 1927—11 p. m.

[Received July 10—4:39 a. m.]

78. Bridgeman suggested to me that we have a private conversation to discuss political and nontechnical phases of our work with a view to seeing whether we could open any avenues for investigation by technical experts. As I wished to explore every method of discussion I readily agreed; and, accompanied by Dulles, I met privately today with Bridgeman and Cecil, Saito and Ishii.

Cecil suggested as a possible way out of the impasse regarding cruisers that we should study building programs between now and 1931 which would control completed cruiser tonnage as over 1934. Bridgeman indicated that they would be prepared to abandon their projected program of 10,000-ton 8-inch[gun?] vessels and perhaps stop work on one vessel just commenced in the hope that no further vessels of this character would be constructed, that of course we should be accorded the full liberty of constructing 10,000-ton vessels up to the number which they might have completed under present plans by 1934. As I interpret this suggestion the British would complete seven vessels of the 10,000-ton *Kent* class and three or four vessels of the *London* class and that their other 10,000-ton cruiser program would

be abandoned. Cecil and Bridgeman indicated that their building program, including 1931, could be restricted within 400,000 tons and foresaw the possibility that such a limit might be possible for a treaty which would terminate in 1934. They emphasized that the 1931 Conference would in any event deal with the whole subject and that if we now provided for programs between now and 1931 we would have met the problem particularly confronting us.

I indicated that while I was not in a position to pass on this suggestion our naval experts would study it, and pointed out that in the last analysis building programs must be translated into total tonnages and that we could not profitably discuss anything over 400,000 tons.

Ishii indicated that they were planning eight 10,000-ton vessels but could eliminate one of these vessels not yet laid down in the event that the United States and Great Britain agreed within this period that they would not lay down or complete more than the eleven contemplated by the British.

While the foregoing may offer a way out of the cruiser dilemma it will not represent any very real limitation, although it may represent renunciation on the part of Great Britain of the construction of further 10,000-ton 8-inch [-gun?] vessels and give us freedom to build up to them in this class without restriction as to the future. The British have not at any time indicated a willingness to limit their final total tonnage to less than 465[,000] in 1936 and ultimately to over 550,000 tons.

As I felt that Bridgeman in the Monday plenary session would probably try to throw upon us the onus for impeding the work of the Conference by insistence upon twenty-five 10,000-ton vessels, I told him that the number of such vessels would be subject to negotiation provided that this would render it possible for them to bring their total needs to figures which constituted a real limitation. I emphasized that Great Britain was far in the lead in the construction of 10,000-ton vessels and had set the pace and that it was futile to talk of the reduction in the number of such vessels as long as they either had or were about to acquire a large number of vessels of this character.

I report the foregoing to show the efforts which are being made here to fortify [*sic*] a way out of the cruiser impasse and I have not abandoned hope that a solution may be reached. The Japanese delegates this afternoon gave no indication as to whether they were prepared to revise upward their total tonnage figures for cruisers so as to make negotiation between the British and Japanese possible.

Captain Egerton of British delegation and Captain Toyoda of Japanese delegation this evening called on Admiral Schofield for informal discussion of cruiser problem. Captain Egerton proposed as a possible solution a building program as to vessels laid down between

now and 1931 for each of the three powers as a means of escaping the present apparent impasse. Both he and Captain Toyoda agreed that on the basis of total tonnage limitation or limitation by numbers there was no possibility of reconciling the Japanese and British theses or of reconciling our thesis with the British inasmuch as the British requirements translated into total tonnage reach 465[,000] tons in 1936 and the Japanese approximate maximum tonnage in combined destroyer and cruiser classes for themselves for the same period is 310,000 tons. Both Captain Egerton and Captain Toyoda said that they were stating their views but could not be considered as binding their delegates.

GIBSON

500.A15 a 1/409 : Telegram

The Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, July 11, 1927—1 p. m.

[Received 4:35 p. m.]

80. Late last evening I received a letter from Mr. Bridgeman as follows:

"You and your colleagues will by this time have looked into the question of an agreed program of cruiser construction as a basis for arriving at a settlement sufficiently to form an idea whether or not it gives a hopeful prospect of success.

Both you and Viscount Ishii expressed some doubts as to the wisdom of having a plenary session tomorrow though you both kindly gave way to my desire for an opportunity of explaining, as I hope to be able to explain, the British position more fully.

But if your chief delegates and those of Japan are able to say that you think the new scheme holds out real prospects of success I should be willing to postpone my statement of the British case for a day or two so as to admit of the possibility of being able to come to the plenary conference with some agreed policy.

I called on Viscount Ishii this morning and he hoped to be able to give me his reply this evening. Should you be able to do the same and both answers were distinctly hopeful I would ask you to postpone this plenary session if you think fit."

For explanation of first paragraph of Bridgeman's letter see my 78, July 9, 11 a. m.

[Paraphrase.] Previously, when Viscount Ishii and I objected to calling a plenary session, stating that we considered it wisest to discuss our divergent views in private session and then announce to the public our decision, Bridgeman, you will recall, insisted upon a plenary session. Only upon his statement that he desired that the British views be given at a plenary session did Viscount Ishii and I agree to this. Under these circumstances, I considered that

the responsibility for calling off the meeting should be placed upon Bridgeman and not upon the American or Japanese delegations. Therefore, I sent the following reply to Mr. Bridgeman, after consulting Saburi, who was entirely of my opinion: [End paraphrase.]

"I have just received your note of this evening in regard to the desirability of deferring the plenary session called for tomorrow.

As I stated yesterday afternoon, I should be glad [to] explore any possible method of meeting our present difficulty with regard to the cruiser question. Frankly, as you will understand, there has not been sufficient time to determine whether the methods discussed yesterday afternoon, and also between our experts, will hold out a substantial hope of settling our present problem. For that reason I hesitate to hazard an opinion with regard to your suggestion of delaying tomorrow's meeting on this account.

If, however, you feel that it would be wiser to defer the public meeting for the present I shall be glad to acquiesce in your decision and I would only suggest that you send word this evening to Hugh Wilson in order that he may know whether to continue preparations for tomorrow or to cancel the orders which have been given and notify the various delegates accordingly. As I say, I shall readily abide by any decision you may reach."

[Paraphrase.] While no reply was addressed to me last night by Bridgeman, he intimated that he was desirous of consulting Cecil and the various Dominion delegations this morning. . . . I understand that there was a divergence of opinion among the British delegation and that postponement of the meeting had been urged upon Bridgeman by his own associates. [End paraphrase.]

The morning papers carry the news of the assassination in Dublin of Mr. O'Higgins, Irish Minister of Foreign Affairs, their representative at this Conference, who had only recently participated in our work here. I therefore immediately sent word to Mr. Bridgeman that, in view of this tragic event, I, as President of the Conference, suggested, if Mr. Bridgeman approved, a postponement of the plenary session. Mr. Bridgeman replied by letter as follows:

"My colleagues, representative of all parts of the British Empire, join me in expressing to you our appreciation of your kind thought in suggesting the postponement of the plenary meeting today as a token of respect for our colleague, whose tragic death we all so deeply deplore."

The following communiqué has consequently been issued.

"The Secretary General of the Conference begs to announce that on account of the tragic death of Mr. Kevin O'Higgins, the Minister of Foreign Affairs for Ireland and former delegate to the Conference [for] the Limitation of Naval Armament, the plenary session scheduled for 3 p. m. today at the Hotel Des Bergues has been indefinitely postponed."

Mailed to London.

GIBSON

500.A15 a 1/412a : Telegram

*The Secretary of State to the Chairman of the American Delegation
(Gibson)*

[Paraphrase]

WASHINGTON, *July 11, 1927*—6 p. m.

41. Article by Wythe Williams printed in today's *New York Times* was made subject of protest to the Department by the British Ambassador. He particularly took exception to the following: ⁵⁸

"On the eve of what may turn out to be the break-up of the Conference, the American experts have planned a 'countersurprise' which, if launched, is likely to produce a tremendous sensation."

The article went on to say that if British bring up question of capital ships ⁵⁸

"the searchlight of publicity will be trained on the mass of documents, lists and figures now in possession of the Intelligence Depart[ment] of the United States Navy tending to prove that the British Navy is actually overtonned in battleships on the basis of the 5-5 ratio established between the British and American fleets by the Washington treaty, and that it has, in fact, shot up to a 6-5 ratio or even higher."

Williams then continued to discuss tonnage of the different ships with obvious intention of proving that terms of Washington treaty have not been kept by British.

Sir Esme Howard said it seemed clear that someone in American delegation had been giving out alleged facts and that such an article could only result in causing intense feeling in Great Britain to degree that might break up Conference.

Howard was informed that undoubtedly writer of the article had knowledge of naval matters which he interpreted as he pleased, and that it was most improbable that anyone in the American delegation, in face of repeated statements by officials of the Government of the United States that all nations concerned had loyally fulfilled terms of the treaty of Washington, would have made any of the alleged assertions.

Howard added that majority of articles published under Williams' signature were, in his opinion, provocative and many times written for purpose of disrupting Conference.

The Ambassador was informed that statement of his protest would be cabled you.

KELLOGG

⁵⁸ Quoted passage not paraphrased.

500.A15 a 1/406 : Telegram

The Ambassador in Japan (MacVeagh) to the Secretary of State

TOKYO, July 11, 1927—6 p. m.

[Received July 11—9:05 a. m.]

100. The Minister for Foreign Affairs called me into conference today and asked me to transmit to Washington his earnest desire for a successful result of Geneva Conference and his strong feeling that the situation had reached the stage where the action of the delegates should be guided more by political considerations and less by technical ideas. He was afraid that the present outlook was more in the direction of expansion of armament than limitation and if the Conference resulted in any such agreement he knew that the people of Japan would not approve it and he believed it would not be approved by the people either of the United States or Great Britain. He said the people of Japan were strongly in favor of limitation of naval armament, both because of their desire for peaceful relations with the United States and other nations and also for economic reasons, as they desired to limit their own expenditure on naval armaments as far as consistent with safety. The Minister for Foreign Affairs therefore begged me to ask the good offices of my Government in assisting the Japanese in bringing about some agreement which will not call for material increases in naval armaments. I stated that I would transmit his views to my Government but would be glad to know whether the most effective means for bringing about the desired result would not be to persuade the British to act in the same direction and he agreed that this was so and thought that this possibly could be done by a common attitude on the part of the United States and Japan.

At the close of the conference he reiterated his desire that I should impress upon my Government his feeling that this matter should now be taken up from a political standpoint rather than a technical naval standpoint.

MACVEAGH

500.A15 a 1/413 : Telegram

The Chairman of the American Delegation (Gibson) to the Secretary of State

[Paraphrase]

GENEVA, July 11, 1927—11 p. m.

[Received July 12—12:37 p. m.]

81. After postponement of plenary session I called this morning on Viscount Ishii to discuss several matters. Among others I urged him to indicate clearly both to us and to British how far the British would have to come down to reach a level which would afford a

profitable basis of discussion to Japanese. Ishii stated that he had this morning informed Bridgeman in definite terms that the Japanese were practically rigid on figure of 450,000 tons for cruisers and destroyers combined for United States and Great Britain. Ishii said that Japanese delegation felt very strongly on subject; they were quite willing at present moment to return home without an agreement, if necessary, but that they were not willing to conclude agreement which would call for program of naval expansion.

Bridgeman called on me after lunch in a much more conciliatory mood than he has shown heretofore. He said that he felt a plenary session on Thursday was needed in order to state British position as he was under serious home criticism on account of the general misrepresentation of the British attitude abroad. Bridgeman assured me that he would confine himself to statement of British case and would take no action which could be considered provocative. He would ask no questions or he might ask certain general questions which would not be embarrassing and which I could answer or not as I chose. I said that I thought this was the preferable way when we were endeavoring to arrive at a working agreement, but that if he set pace I was quite ready for plain talking. I told him that I thought it was regrettable that we should consume both our time and energy in trying to find a common British-American basis of agreement if, after we reached it, it was not acceptable to the Japanese, and that we ought to have clearly understood what levels would prove acceptable to the Japanese; once there was agreement between British and Japanese on tonnage levels it would probably not be difficult for us to make agreement complete. Bridgeman replied that Anglo-Japanese agreement would present no difficulty as the Japanese would come up to the British figures, only they would demand a *quid pro quo* and he had not yet been able to ascertain from them what it would be. I said that Viscount Ishii had stressed fact that Japanese would rather have no agreement than to revise materially their figures but Bridgeman said he did not regard that seriously.

Later on in day Saburi of the Japanese delegation came to see me. I asked him if his delegation had fully impressed on the British the fact that Japanese were in earnest about their tonnage levels figures. Saburi said that they had, and he repeated that the Japanese would rather go home without an agreement than materially to revise these figures upward. He then added significant remark that if our delegation could reach agreement with British on high tonnage level and cared to conclude a treaty with them, no objection would be offered by Japan but that she should not care to become a party to such a treaty.

Delegation feels that our efforts now should be directed to concentrating attention on need for finding common ground for agree-

ment between Japanese and British, and emphasizing consistently our preference for Japanese levels. Unless the two extreme positions can be reconciled, and until they are reconciled, British-American negotiation is fruitless. At present our delegation proposes to make a British-Japanese agreement our objective, and we feel that you may wish to impress on both the other parties to this Conference the necessity for their finding common ground for discussion.

A copy of this telegram has been sent by mail to London.

GIBSON

500.A15 a 1/418 : Telegram

The Chairman of the American Delegation (Gibson) to the Secretary of State

[Paraphrase]

GENEVA, *July 12, 1927—10 a. m.*

[Received July 13—1:55 a. m.]

84. Your No. 41, July 11, 6 p. m. The Wythe Williams article was founded on pure conjecture as we had no intention of referring to question of overtonnage of capital ships in plenary session or anywhere else. As far as I am aware we have no mass of documents on subject of capital ship tonnage, though the British themselves circulated a confidential document containing figures. Correspondents have discussed the figures referred to from time Conference began. I now learn that they were published last January in *Gallic American* by William Baldwin Shearer. I am able to say that the members of the American delegation have been most scrupulous in not revealing confidential information to press and in refusing to discuss committee proceedings or proposals of other delegations.

Only statements that either Admiral Jones or I have made which could bear in any way on this subject have been to effect that signatories of treaty of Washington have scrupulously observed its provisions.

GIBSON

500.A15 a 1/414a : Telegram

The Secretary of State to the Chairman of the American Delegation (Gibson)

[Paraphrase]

WASHINGTON, *July 12, 1927—noon.*

42. The press in this country has several times reported from English sources statements similar to that which appeared Sunday, July 10, in *New York Times*, as follows:⁵⁹

⁵⁹ Quoted passage not paraphrased.

"According to the reports received here (i. e. London) the official American experts at Geneva have been strongly reinforced by unofficial representatives of great concerns whose probable interests lie in the direction of contracts for steel plants and other indispensable concomitants of a big navy. Much of the pugnacious spirit in which reports to the American press from Geneva have been conceived is attributed here to the activities of these unofficial propagandists."

Does statement that representatives of steel plants or manufacturing concerns are in Geneva or are interfering in any way with deliberations contain any truth?

The *New York Times* also has an editorial based on British information that the United States, Great Britain, and Japan would have been saved \$750,000,000 through British extension of age limit alone, and that reduction on the size of cruisers would have been a great saving. The first statement is, of course, absurd, and second is wholly inaccurate unless total tonnage is reduced; cost of building small cruisers is more proportionately than to build large ones, and they cost more to maintain. These points should be borne in mind in event of statements at plenary session or at any other time, in your judgment, when press statements are given out.

KELLOGG

500.A15 a 1/414 : Telegram

The Ambassador in Great Britain (Houghton) to the Secretary of State

LONDON, July 12, 1927—noon.

[Received 1:24 p. m.]

162. My 158, July 9, 10 a. m. Chamberlain asked me to meet him last night at the House of Commons. He told me he had conferred with Baldwin, Balfour and Beatty⁶⁰ yesterday morning and again late yesterday afternoon. Their reports from Geneva he said were not complete but he thought a reasonable hope of agreement still existed.

Chamberlain then went on to explain the differences as he saw them between the British and American demands and concluded by saying that there seemed to be almost insuperable difficulties in a three-power negotiation in getting an agreement on a ratio of total tonnage based on the theoretical needs of each. As an effort to surmount this difficulty his Government offered the following suggestion:

"Instead of endeavoring to fix maximum overhead tonnage for all time, based on theoretical needs and embracing far larger construction than any of powers now had in contemplation, solution should

⁶⁰ Admiral of the Fleet David Beatty, Earl Beatty of the North Sea and of Brooksby.

be sought on lines of an agreement as to total in each class beyond which each party would not go up to 1936, to wit, date of expiration of Washington treaty at which time whole subject must again be considered. If the United States Government approve this suggestion and will issue [instructions to] Mr. Gibson to seek solution on these lines British Government will send similar instructions to Mr. Bridgeman."

[Paraphrase]

Chamberlain made certain significant statements during the conversation above-mentioned:

(1) That the American delegates in the Conference had not yet stated that, owing to lack of naval stations, American ships needed a larger cruising radius, and that therefore 10,000-ton cruisers were necessary.

(2) That if we were willing to limit our own total to twelve 10,000-ton cruisers during this period Great Britain, although she now has twelve such cruisers in addition to two building and one laid down, is willing to scrap those now being constructed and to limit herself to the same number as the United States.

(3) That the British Government will ask a short adjournment of the Conference and order Bridgeman home for consultation if agreement cannot be reached along the lines suggested above.

(4) That should you request it, Chamberlain is willing to meet you in Geneva in case of absolute need.

In transmitting the above I desire to offer no comment except that, in my opinion, the British Government will endeavor to reach a compromise since it is now keenly aware of the importance of public sentiment developing abroad and at home.

This telegram has been sent to Geneva for the information of our delegation.

HOUGHTON

500.A15 a 1/415 : Telegram

The Chairman of the American Delegation, (Gibson) to the Secretary of State

GENEVA, July 12, 1927—8 p. m.

[Received July 13—1:45 a. m.]

82. With a view to exploring every phase of cruiser difficulty from political as well as from technical angle there has been set up by agreement between the chief delegates an [omission] group to examine the question untrammelled by instructions from the chief delegates.⁶² This committee composed of Dulles and Smyth for us, Campbell and

⁶² The mixed committee, a small committee composed of one naval officer and one civilian from each delegation.

Egerton for the British Empire, Saburi and Captain Hori for Japan, met last night. Following discussion took place:

British indicated willingness to study cruiser-building programs and, as far as [*sic*] 10,000-ton vessels, to take as a basis of construction prior to 1931 either 10, 12 or a higher number. If we insisted on the basis of 10, they would scrap 3 on which work was just starting. We indicated we conceived a limitation of building programs as one method of arriving at a definite total tonnage during the life of the treaty and not as an end in itself and asked British to explain how, on any of foregoing bases respecting 10,000-ton vessels, they would come within 400,000 tons in 1936. British explained that they had received new instructions from London to reduce their number of cruisers from 75 to 66 and if necessary to fix a maximum of 6,000 tons for other than 10,000-ton vessels. On this basis and assuming only 10 or 12 new 10,000-ton cruisers constructed, they could accept a total tonnage limitation of about 400,000 tons for 1936. If we desire a larger number of 10,000-ton vessels the total tonnage would be correspondingly raised or it would be necessary to have the treaty end in 1934.

We suggested that real difficulty in our discussions was caused by British effort to force other navies to accept same standard of type as themselves even though conditions vary and we felt that if we could get away from this insistence on their part, rapid progress could be made. We felt that it was most unlikely that any program of construction would be adopted by the United States which Great Britain could consider as a menace even though full liberty were given to the construction of 10,000-ton cruisers within a reasonable total tonnage limitation. It was tentatively suggested that if the British really feared such a contingency it might be possible to cover this by an article contemplating the case of a building program of powers not party to new treaty; such an article might provide that if at any time any of the powers considered their safety threatened by the building programs in 10,000-ton vessels by any of the contracting parties a Conference should be called and if agreement not reached reasonable provision be made for termination of the treaty.

It was stated frankly to the British and Japanese that in our opinion we were now in a position where we might be able to find basis of agreement with either the British or the Japanese but that no one had yet suggested a basis on which those two powers could get together; that naturally we preferred the Japanese basis which corresponded closely to our own.

In the discussion between the British and Japanese which followed, the British seemed surprised at the firm stand the Japanese took on a total tonnage limitation for all surface craft of 450,000 for the United States and Great Britain, and British again reiterated that this was entirely unacceptable to them.

Conversations are being continued today.

Mailed to London.

GIBSON

500.A15 a 1/417 : Telegram

The Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, July 12, 1927—9 p. m.

[Received July 13—6:42 a. m.]

83. Group mentioned my 82, July 12, 8 p. m., continued discussion today. Upon examination of Japanese tonnage in surface craft including tonnage under construction or projected it was found that this would total approximately 315,000 tons. On basis 5-5-3 ratio this would give 525,000 tons of cruisers and destroyers for the United States and the British Empire. British representatives indicated that they felt that this total tonnage of 525,000 for the United States and Great Britain and 315,000 for Japan held out some hope of offering a basis for negotiation and said that they would investigate whether there were any conditions under which they could accept it. This afternoon they produced the following draft:

"The British Empire to agree not to exceed 550,000 tons of auxiliary surface combatant craft under the following ages: cruisers 16 years, destroyers 12 years, subject to the following conditions:

(a) The right to retain in addition 20 percent of this total tonnage in vessels over the age limit referred to above.

(b) Limitation of 10,000-ton cruisers to 12-12-8.

(c) *York, Hawkins, Frobisher, Effingham, Vindictive*, 4 *Furu-katas* and 10 *Omahas* not to be retained beyond the year 1945 or some other year to be agreed upon.

(d) Subject to the right to complete up to the agreed number of 10,000-ton cruisers no auxiliary combatant surface vessels to be constructed of greater displacement than 6,000 tons (standard displacement) or to mount a gun exceeding 6 inches in caliber."

The Japanese when they saw that British had raised the figures tentatively suggested in the morning said that proposals were unacceptable and immediately reverted to the discussion of 450,000 tons for the United States and Great Britain. Saburi added that Viscount Saito had said to him that of course if Great Britain and the United States wish to reach an agreement along the lines indicated Japan

would be happy to see it but could not go to any such tonnage figures as proposed.

As you will appreciate, the suggestion quoted above is highly unacceptable to us in many particulars, particularly in fixing the limit of one class of cruisers at 6,000 tons. Further, the scheme of retaining vessels over the low age limits proposed by the Japanese while ingenious is really nothing more than a disguised attempt to increase total tonnage. However, a slight advance has been made in that the British even with unacceptable provisos proposed to consider tonnage figures considerably below what they have heretofore been discussing.

In all combined tonnage of surface craft we of course make it clear that it would be necessary to separate cruiser and destroyer class in any treaty.

Discussions described in my July 12, 8 p. m., and in this telegram were entirely informal and are not in any sense binding upon any of the delegations. The results of these meetings will however shortly be considered by the delegates to see whether they offer any possible way out of the difficulty.

Mailed to London.

GIBSON

500.A15 a 1/414 : Telegram

*The Secretary of State to the Ambassador in Great Britain
(Houghton)*

[Paraphrase]

WASHINGTON, July 12, 1927—11 p. m.

159. Your No. 162, July 12, noon. I am in entire agreement with Chamberlain not to attempt to fix for all time maximum overhead tonnage based on theoretical needs, but to limit agreement to total tonnage in each class beyond which, up to the date on which Washington treaty can be terminated, namely 1936, each party should not build. The whole subject can be reconsidered in 1931, under the Washington treaty.

By each class, I assume that Chamberlain means cruisers, destroyers and submarines. Our delegation already has instructions along these lines as they are basis of our original proposal. I am sure that our delegation has not failed to make clear in some way during Conference necessity for our having 10,000-ton cruisers in view of long cruising radius which is necessitated by lack of naval bases, a fact which affects capacity to carry sufficient defensive armor and armament. The 7,500-ton cruiser is not the most useful type to the United States for the reason that to obtain cruising radius without

naval bases, armor must be sacrificed and if equipped with 6-inch guns the smaller cruiser is approximately on parity with a converted merchantman, a class of vessel of which the United States has relatively few.

The United States does not object to smaller-size ships for Great Britain if the latter deems them necessary to her needs, provided they come within reasonable total tonnage limitation to be agreed on.

The Government of the United States is pleased at evident desire of British Cabinet to endeavor to find some basis of agreement; their desire is reciprocated here, and American Government feels that brief adjournment at Geneva to allow for proper analysis of various schemes and for mature consideration by Governments might serve a useful purpose. I have twice suggested to Mr. Gibson the desirability of a brief recess of that kind. After such recess as suggested, time might be ripe to decide further steps which would be necessary in accordance with Chamberlain's suggestions. The wide divergence between the British and the Japanese demands is one of the essential factors which the British Government and this Government should keep in mind; I have every reason to believe that Japanese are very anxious to have a low tonnage limitation. Substance of foregoing may be conveyed to Chamberlain.

Copy sent to Geneva.

KELLOGG

500.A15 a 1/421 : Telegram

*The Secretary of State to the Chairman of the American Delegation (Gibson)*⁶⁸

[Paraphrase]

WASHINGTON, July 13, 1927—5 p.m.

45. I have received following telegram from Houghton dated July 13, 6 p.m.:

"Your No. 159, July 12, 11 p.m. I hesitate to transmit substance of your message to Chamberlain for following reasons: (1) As result of conversation with Chamberlain, British Cabinet has transmitted through me for you a definite proposal which I think ought not to be either accepted or declined. I have no way of knowing whether proposal possesses any merit, but on its face at least it constitutes offer to modify original instructions to the British delegation; (2) if I now tell Chamberlain that you think brief recess advisable he will probably act on suggestion, although you also say you have twice already made same suggestion to Gibson who has not, apparently, felt

⁶⁸ Last two paragraphs telegraphed to Great Britain as Department's No. 160, July 13, 5 p. m., after an introductory sentence reading: "Have repeated your message to Gibson and added the following."

it wise; (3) it is my belief that if adjournment takes place and Bridgeman is called home for consultation, Admiralty will again obtain command of situation and we shall lose whatever gains we have made by intervention in London. It is wholly within range of possibility that the British will then take the position that as result of our position any further Conference at this time is useless."

Only definite proposition suggested by Chamberlain is to agree on maximum tonnages each class of ships until 1936. No proposition regarding tonnages of each class was made, so I am unable to understand what is meant by "definite proposals".

I have no desire whatever to take from the delegation the authority to decide whether or not it is advisable to take short adjournment at this time. One would certainly be preferable to having Conference break up in deadlock. I have already apprised Sir Esme Howard of substance of my telegram to Mr. Houghton. Howard asked me if he might say to Chamberlain that I had suggested adjournment to you. I said he could, but that decision would wholly rest with delegation. Please telegraph Houghton any suggestions you have in mind to make about my message and on possible adjournment.

KELLOGG

500.A15 a 1/422 : Telegram

The Chairman of the American Delegation (Gibson) to the Secretary of State

[Paraphrase]

GENEVA, July 13, 1927—5 p. m.

[Received 5:22 p. m.]

86. Houghton's telegram No. 162, July 12, noon. See my telegram No. 87 to follow. Chamberlain's first proposal, as we understand it, is precisely what we have consistently urged, to wit, the fixing for a period concurrent with the life of the Washington treaty of a total tonnage for each class, reserving to each of the signatories the right to construct in accordance with its requirements. Chamberlain may, however, have intended to suggest a limitation as to types of cruisers which would have the result of forcing upon us certain kinds of vessels unsuited to our needs.

With respect to the four assertions made by Sir Austen, I desire to make the following observations:

1. It is perfectly well understood by the British delegation that because of the requirements for extensive cruising radius and the greatest protection obtainable in conjunction therewith, the largest sizes of cruisers are of the most value to us.

2. There can be no advantage in discussing the matter of restricting the number of cruisers of maximum size until the British shall have

consented to a total figure for the whole cruiser category. Although the matter has been kept open for subsequent discussion, we cannot of course in the absence of definite assurance of an embracing and real limitation, make any commitment on this matter.

3. An adjournment of the Conference or the recall of Bridgeman would not appear to be advisable in the event of Bridgeman's being instructed to arrive at an accord on a sensible tonnage figure by classes. Whether a common meeting ground can be found for the Japanese and the British is the real and relatively simple point at issue. We ourselves occupy an advantageous middle ground. The delegates appear to be in a better frame of mind and the moment to urge a decision seems opportune. While we should naturally not withhold consent to, we do not recommend compliance [*sic*] with a British request for adjournment, should such be made.

4. It is too early to venture an opinion concerning the advisability of your meeting Chamberlain in Geneva until we know whether any concessions will be consented to at this time by the British. Unless unforeseen eventualities occur, we are of the opinion that your influence can be of greatest value in Washington where it has to date been extremely efficacious.

Copy sent to London.

GIBSON

500.A15 a 1/423 : Telegram

The Chairman of the American Delegation (Gibson) to the Secretary of State

[Paraphrase]

GENEVA, *July 13, 1927*—6 p. m.

[Received 8:40 p. m.]

87. This morning Bridgeman, Cecil, Ishii, and I consulted together privately. Considering that disguised repetitions are the only proposals that have been brought forward by the British thus far, I was ready to tell Bridgeman that the United States had only one positive condition, i. e., that the cruiser requirements of the British Empire should come within a total tonnage that could be considered as actual naval limitation, but that up to the present every British proposal had in effect asked us to sanction by an international treaty their idea of a naval building program, which was already a burden, and at the same time they had attempted to make the United States use types and characteristics that were not at all suitable to our requirements.

To my gratification, both Bridgeman and Cecil were in a most friendly mood and while endeavoring in every possible way to overcome any real reduction in their cruiser figures, gave me the impres-

sion that they were becoming convinced that they must make a real effort to meet the American viewpoint. In consequence, I refrained from following the plan I had in mind. Bridgeman still insisted upon a plenary session for Thursday, but he promised that he would send me before the meeting a copy of his contemplated statement in which he would only attempt to make clear the British position with the hope of reaching an agreement.

The following proposal was suggested by Ishii: ⁶⁴

"If the three powers retain the existing ships, complete the ships under construction, and execute all of the authorized programs, the displacement tonnage of auxiliary surface craft, in the near future, will be represented by the following figures: For Great Britain 691,000 tons, for the United States of America 648,000 tons, for Japan 442,000 tons.

If the three powers were successful in arriving at an agreement to cut down approximately 30 percent respectively from the above figures, it may be said that an effective limitation has been realized.

In such an event the strength which will be allotted to the respective powers will be as follows: For Great Britain about 484,000 tons, for the United States of America about 454,000 tons, for Japan about 310,000 tons."

With reference to the above I would add that the Japanese, in discussing their proposition, recognized the principle of parity between Great Britain and the United States and the slight difference in the American and British total tonnages would be adjusted on that basis in their opinion.

It was impossible, Bridgeman stated, to discuss by telegraph any such extreme reductions. He assured us that he would have his experts make a study of the entire question.

At the end of the conference, I stated most emphatically that until the Japanese and British reached some common meeting ground, it was useless to discuss secondary matters; that I considered this the prime and essential problem now before us. This seemed to be realized by the British and as a consequence the conversation was mainly between the Japanese and themselves. They finally decided that the Japanese suggestion above quoted should be given further consideration.

This telegram has been repeated to London for Embassy's information.

GIBSON

⁶⁴ Quoted passage not paraphrased.

500.A15 a 1/430 : Telegram

The Chairman of the American Delegation (Gibson) to the Secretary of State

[Paraphrase]

GENEVA, July 14, 1927—noon.

[Received 2:07 p.m.]

91. Your No. 42, July 12, noon. Stories of similar nature emanating from British sources have been circulated here in regard to activities of representatives of steel interests and others who are interested in the building of a big navy.⁶⁵ I have several times had questions asked me about this by British press correspondents, but nobody has been able to point out who these representatives of special interests are. We know of no one who answers description. It is my own opinion the assertions made are effort by British to explain attitude of American press. The aggressive spirit evinced by American correspondents here comes not from any outside inspiration but, so they tell me, wholly from their indignation at what they regard as raw efforts of one of the other delegations to use them against interests of their own country. This reaction among our correspondents has been unanimous regardless of politics and to us it seems obvious that this is correct explanation. The British have not handled press well throughout Conference, and seem unable to understand that American journalists are fundamentally self-respecting and patriotic. Repeated to London.

GIBSON

500.A15 a 1/428 : Telegram

The Secretary of State to the Ambassador in Great Britain (Houghton)

[Paraphrase]

WASHINGTON, July 14, 1927—5 p. m.

163. British Ambassador called on me this morning and read telegram containing same suggestion quoted in your telegram No. 162, July 12, noon. Ambassador is equally at loss to know precisely what Chamberlain means by "class", and whole confusion seems to arise on that point. I think it would be best, nevertheless, if you would give Chamberlain an answer to his suggestion in which you would make clear how his words are understood here and by our delegation at Conference. This Government's original proposal was clear and

⁶⁵ For subsequent inquiries into this subject, see *Alleged Activities at the Geneva Conference: Hearings before a subcommittee of the Committee on Naval Affairs, United States Senate, 71st Cong., 1st sess., pursuant to S. Res. 114* (Washington, Government Printing Office, 1930).

definite and was not subject to misunderstanding, and we should be especially careful that no confusion be permitted to arise from use of same terms in different senses by the American and the British Governments.

In regard to adjournment of Conference, I did not intend in my telegram to you to overrule our delegation's decision, but merely to suggest to Gibson and his colleagues that we thought that if they came to an impasse or if the British Government wished to consult with Bridgeman, then an adjournment might serve a useful purpose; certainly if British Government wanted an adjournment, we should not object. At present Gibson thinks progress is being made, so there is no immediate necessity for adjournment.

KELLOGG

500.A15 a 1/437 : Telegram

The Chairman of the American Delegation (Gibson) to the Secretary of State

[Paraphrase]

GENEVA, July 15, 1927—3 p. m.

[Received July 15—1:51 p. m.]

99. As you request comments in your telegram No. 45 of July 13, we have, after giving a great deal of thought to the matter, decided that as a last resort you might accept Chamberlain's suggestion that you meet him in Geneva.

However, we are of the opinion that this suggestion may be a part of the effort now being made by the British to postpone a decision in the hope that the issue may be obscured thereby. The passing of time may be of great assistance to them in achieving this point. Do you not think that you might bring the British to some decision by stating to Chamberlain in a friendly manner your idea that it would be useless for you to meet him in Geneva; that no concessions have thus far been made by the British which would bring them within what the Japanese consider an effective limitation; that we have at Geneva a delegation to consider any reasonable proposal, if the British are prepared to make concessions; that it is useless for you to travel all the way from America merely to note the fact that they have no such proposal to offer. Such a statement might be the means of causing them to reach a quick decision as to whether they will accept responsibility for breaking up the Conference or will consent to real naval limitation.

It may also be well to suggest to Chamberlain that it would scarcely be appropriate for you to come to Geneva to endeavor to reach a solution for the British in determining differences which are blocking all progress at the present time.

With reference to the above, Admiral Jones and I have just received a visit from Saito who told us definitely that the Japanese refuse even to discuss a figure exceeding 315,000 tons in the combined destroyer and cruiser classes for Japan. This point, he further said, was today being brought unequivocally to the British delegation's attention. Thus it will be up to them to decide whether they will reduce their figures to approximately 500,000 tons for the combined cruiser and destroyer classes or accept whatever consequences may result from their refusal.

GIBSON

500.A15 a 1/414 : Telegram

*The Secretary of State to the Ambassador in Great Britain (Houghton)*⁶⁶

[Paraphrase]

WASHINGTON, July 16, 1927—1 p. m.

166. Your No. 162, July 12, noon. This morning the British Ambassador explained to me that by class of ships Sir Austen Chamberlain meant the different classes of cruisers rather than the categories of naval craft; explanation renders his proposal valueless and of no significance to us.

KELLOGG

500.A15 a 1/437 : Telegram

The Secretary of State to the Chairman of the American Delegation (Gibson)

[Paraphrase]

WASHINGTON, July 16, 1927—1 p. m.

50. Your No. 99, July 15, 3 p. m. I do not have any intention of going to Geneva and telegraphed to Houghton at noon as follows, in accordance with your suggestion:

"165. If any possible feeling on Chamberlain's part that the Secretary of State may be willing to enter Conference in last moment attempt to effect settlement should cause him to delay search for some real compromise, I think that you should make plain to him in friendly way that I do not foresee any circumstances which would make advisable my going to Geneva, that I see no necessity for going, and that I do not intend to go. Question is now reduced to simple proposition, it seems to me, as to whether British can reduce their figures on total cruiser tonnage in order to enable the other two delegations to find necessary basis for real limitation agreement

⁶⁶ Sent also to Geneva, July 16, noon, as No. 49.

which would be acceptable in their countries. The American proposition was very carefully considered and was worked out in conferences between Navy Department and Department of State, and American delegation has already expressed its willingness to agree to much larger total tonnage than either the American or Japanese Government believes essential. If Great Britain can, for her part, make concessions, the American delegation has full authority to act.

I have informed British Ambassador here that I am cabling you along these lines."

KELLOGG

500.A15 a 1/439 : Telegram

The Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, July 16, 1927—2 p. m.

[Received July 16—10:30 a. m.]

100. It would be helpful for my guidance if [*in*] such future statements as may be necessary on short notice if I could have your criticisms of my statement before [*at*] second plenary meeting,⁶⁷ with indication of points which should in future statements be omitted, modified or stressed. As the situation arose on a few hours' notice I had to act on my best judgment, with full realization of the responsibility; but you will of course understand that whenever time permits I shall submit full text of remarks for your approval.

GIBSON

500.A15 a 1/445 : Telegram

The Chairman of the American Delegation (Gibson) to the Secretary of State

[Paraphrase]

GENEVA, July 18, 1927—3 p. m.

[Received 4:10 p. m.⁶⁸]

105. This morning Bridgeman, Cecil, Ishii, and Saito met with me privately. The conversation was begun by Ishii by referring to previous informal talks between Admiral Field of the British delegation and Admiral Kobayashi of the Japanese delegation. He laid stress on the tentative nature of the previous conversations and said that naturally no definite agreement had been concluded but that the Japanese had cabled Tokyo a complete résumé of what had taken

⁶⁷ The second plenary session of the Conference was held July 14, 1927. Mr. Gibson's statement is printed in S. Doc. 55, 70th Cong., 1st sess., p. 48.

⁶⁸ Telegram in three sections.

place. Viscount Ishii then gave me a memorandum which contained all the items of their conversation. After looking over the Japanese memorandum, Mr. Bridgeman said that it was an exact résumé of the discussions as he had understood them. Substance of the memorandum follows:

1. Tonnage totals to be allocated to auxiliary fighting ships other than undersea craft:

(a) Admiral Kobayashi of Japan made the following suggestions: 484,000 tons for Great Britain, and 315,000 tons for the Japanese Empire.

(b) Admiral Field suggested the following figures: Japan 325,000 tons, and Great Britain 500,000 tons.

2. One-fourth of the tonnage totals in obsolete vessels shall likewise be retained.

3. There shall be a limitation in number fixed for cruisers of 10,000 tons: For America and Great Britain 12 each, and for the Japanese Empire 8.

4. Ships mentioned below shall be retained:

By the British Empire: The *York*, and 4 of the *Hawkins* type of cruiser;

By the United States: 10 *Omaha*-type cruisers;

By Japan: 4 of the *Furutaka* type.

5. Problem of building other cruisers mounting 8-inch guns: The Japanese Empire does not intend to lay keels of any more 8-inch-gun ships before January 1, 1937.

6. There shall be a maximum percentage agreed on to be allocated to cruisers and to destroyers.

7. Concerning submarines:

(a) According to the statement of Admiral Kobayashi, Japan would need approximately 70,000 tons of submarines.

(b) The figure of 60,000 tons of undersea craft for each of the three countries was proposed by Admiral Field.

This, you will observe, is almost identical with the report in my telegram No. 101 of July 17.⁶⁹ Ishii, in explaining the memorandum, laid emphasis on the fact that the Japanese had reached the figure of 325,000 tons by adding 10,000 to the former total beyond which they had declared themselves resolved not to go, and by eliminating, on Admiral Field's suggestion, 10,000 tons of submarines. This change, he believed, would be welcome to the Japanese Finance Ministry since the cost per ton of submarines was far greater than for surface vessels.

I inquired, with reference to point 2, what the age limit of vessels was to be. The American suggestion of 16 years for destroyers and 20 years for cruisers was acceptable to Japan, Ishii replied. Bridgeman appeared uncertain as to this point but Cecil stated that it was his idea that the original Japanese proposal of 12 years for destroyers and 16 years for cruisers had been adopted. (While the matter seems

⁶⁹ Not printed.

to have been left unsettled it is evident that the British would prefer the Japanese suggestions as to age limits to their own in view of their desire to retain a certain number of ships having reached the age limit.)

The ships named in point 4, it is pointed out, would come within the total limit of 500,000 tons. They were specially mentioned in order to indicate that they would be kept despite their being above the 6,000-ton figure desired by the British as the largest size below 10,000 tons. They would, of course, not be numbered among vessels dealt with in point 3, displacing 10,000 tons.

I was assured that there was no intention to depart from the idea of a treaty which should end in 1936. The Japanese delegation were asked by Cecil whether they attached great importance to parity in submarines mentioned in point 7 (b). Ishii unhesitatingly replied that Japan needed at least 60,000 tons but would raise no difficulty if the United States and Great Britain desired for themselves a larger figure. (Ishii's calm and lucid declaration leads me to infer that, despite the fact that Admiral Field had suggested it, Japan did not intend to stand out for equality in submarines.)

Concerning point 5, the American delegation stated that they would have opinions to give upon this, as the Japanese situation was different from that of the American in that on the basis of the proposals made the Americans would have available tonnage for 8-inch-gun cruisers whereas the Japanese would have no such tonnage. However, until we had had an opportunity to study the entire memorandum, I thought it wisest to postpone discussion of the question.

The communiqué which I quoted in my telegram No. 104, July 18,⁷⁰ was drawn up in agreement between us at the end of the Conference and an arrangement was made for a meeting tomorrow morning for further discussion.

This telegram has been repeated to London for Embassy's information.

GIBSON

500.A15 a 1/439 : Telegram

The Secretary of State to the Chairman of the American Delegation
(Gibson)

[Paraphrase]

WASHINGTON, July 18, 1927—6 p. m.

53. Your No. 100, July 16, 2 p. m. Appreciate fully the circumstances which necessitated preparation of your statement so as to

⁷⁰ Not printed; for text of the communiqué, see S. Doc. 55, 70th Cong., 1st sess., p. 172, par. 3.

conform to situation at last moment; there was, I know, insufficient time for you to submit it to me. I think it was a dignified, comprehensive, and moderate speech, and American press agrees with me in this opinion. My general criticism of it would be that there was tendency throughout to use general instead of specific terms in those places where exact meaning of a reference could not fail to be clear to hearers around the table but which might conceivably be obscure to world at large for whose benefit it was that British had urged the plenary session. That is to say, I see no reason why particular facts which display British attitude should not be set forth; for example, reference to fact that speedy, armed merchantmen are equivalents of cruisers with 6-inch guns and that United States has comparatively small number of such merchant vessels. I should also have laid stress on fact of British acceptance of cruiser and destroyer tonnage which was agreed to at Washington Conference on Limitation of Armament, at which no claim was made for greater tonnage, and that world conditions since that Conference have certainly not been more threatening than they were then and do not justify the enormous tonnage increases demanded. At point where you suggested that United States did not commence the building of 10,000-ton cruisers, I should have made specific statement that Great Britain had four 9,750-ton cruisers built between 1918 and 1925, of which two were built after Washington Conference; that since then twelve have been built, that two are now building and one laid down. These figures are taken from Chamberlain's statement to me. I should inquire what country would raid British commerce; against whom could British Government require increases in cruiser tonnage? Especial emphasis should be laid on question of economy which British have been constantly bringing forward; it is important to show as you did that there is no economy in reducing unit sizes of battleships where the total tonnage remains the same, and the same observation applies to cruisers.

Should another plenary session become necessary I believe that a downright statement of facts to justify our conclusions is especially desirable; it is our desire, of course, to be courteous, but the facts should be stated no matter whom they hit.

Against the event that question of commerce raiders be again brought up in public session it is possible that it might be well to have prepared a list of the entire cruiser strength of all countries outside the three powers present at the Conference in order to see from what quarter Great Britain might have cause to fear that disturbances might come.

If Conference breaks up, then you should make a clear, specific statement of our position, stressing the points on which disagreement

exists, pointing out particularly the enormous increase that Great Britain may demand; the increase in original cost and maintenance; and that instead of decreasing or limiting burdens of taxation Great Britain's position would increase them. Statement should be as brief as can be, and should cover salient points; time should be taken for its preparation. It is difficult, I know, to frame such statement now, as first you have to know exactly points on which Conference might fail to arrive at agreement.

KELLOGG

500.A15 a 1/446: Telegram

The Chairman of the American Delegation (Gibson) to the Secretary of State

[Paraphrase]

GENEVA, *July 18, 1927—11 p. m.*

[Received July 19—5:03 a. m.]

106. A decision on certain specific matters will clearly be necessary if the memorandum cited in my telegram No. 105 of July 18 is to be outlined as a groundwork for further debate respecting surface vessels. These matters which we ask you to consider and upon which we would like to have instructions from you are: (1) The proportion allotted to Japan with relation to our own; (2) the question of guns of 8-inch caliber; (3) maximum unit tonnage of the suggested smaller cruiser type.

With regard to the first point, a proportion of 5-3.25 would result from the suggested figure of 500,000 tons of surface craft for the United States and Great Britain and 325,000 tons for the Japanese Empire. This ratio in the opinion of the naval advisers concedes too much and might gravely endanger the American western Pacific position. They believe that no departure from the 5-3 ratio should be permitted and draw your attention to the Navy General Board papers on the subject. A small advance over the 5-3 ratio might possibly be made if one or several smaller vessels were named or concession in destroyers were made but this is only proposed because the Japanese would be offended by our intransigence on the subject of ratio, which might frustrate further efforts to arrive at an agreement.

The proposed smaller category of cruiser and the nature of its armament is the really crucial point involved in the question of the 8-inch gun. Throughout the negotiations the British have been insistent that this category should be limited to guns of 6 inches, while our Naval advisers all agree that we must strictly maintain the right of placing 8-inch guns on the smaller class. This entails

the necessity of a maximum unit tonnage of at least 8,300 tons. Since the Japanese would have no extra tonnage within which to build this type of cruiser until 1936 we can scarcely expect them to support our position to any great extent, although we believe them to be in agreement with us in principle and think that they would have no objection to the maximum displacement above-mentioned with respect to the smaller type of cruiser. We desire to be instructed regarding the maximum size of the lesser type of cruiser and as to the question of the 8-inch gun. There can be no advantage in discussing any remaining questions until a decision is reached on these two matters. It is, moreover, on these very questions that the British might try to break up the Conference should we be firm in standing on our position. While we interpret our instructions as directing us strictly to maintain, in respect to all future cruisers, our class of armament, your definite corroboration of this is desired.

With reference to the retention of obsolete vessels, the British suggestion is clearly a camouflaged means of bringing total limitation to 625,000 tons, which is, however, within a figure which can be discussed by us. Certain factors such as quantity are susceptible of being changed, in order to render the plan more agreeable to us until 1936, but until the points mentioned in the preceding paragraph are settled it is idle to go into these features of the situation and this also applies to the question of the number of 10,000-ton vessels which each country might have.

It is seriously within the bounds of possibility that the Conference might be wrecked on any one of these matters, and we accordingly seek your instructions thereupon. While, of course, we are ready firmly to hold our ground, we are of the opinion that the entire subject should be studied by you both in its technical and its political aspects before we take up our final position.

GIBSON

500.A15 a 1/448 : Telegram

The Chairman of the American Delegation (Gibson) to the Secretary of State

[Paraphrase]

GENEVA, July 18, 1927—12 p. m.

[Received July 19—3:15 a. m.]

107. My No. 106, July 18, 11 p. m. We are now so near to basis of discussion that it may readily be reached provided that either:

1. The British were to renounce their demand for small-type cruisers and their insistence upon restricting the 8-inch gun; or,

2. The Americans were to withdraw demand for liberty of armament, which we do not believe you have any intention of doing. It is our opinion that the British delegation in Geneva is so influenced by Admiralty tenets that it is unable duly to consider the broader suggestions which are not sponsored by some ulterior motive. Therefore, it is thought you may care to consider discussing this problem with the British Ambassador in a very informal and personal way, pointing out to Sir Esme the insistence of the British in thrusting upon the United States a class of cruiser for which our country has practically no use in their endeavor to abolish the 8-inch gun and the resentment that will be engendered in the United States by such a maneuver; that due to previous construction it is plainly to be seen that the British will continue to have a superior strength in cruisers during the existence of the treaty under discussion; that should the United States consent to withdraw her demands concerning the 8-inch gun the British superiority would be definitely increased by reason of the fact that Great Britain has 49 merchant ships and our inferiority would be most evidently accentuated by a strict limitation as to ships concerned. Should the British Government recognize freely our right to decide the type of armament required by us, which in any case would be exercised only in regard to a small part of the tonnage allocated to us, the British Ambassador could judge for himself whether, under ordinary circumstances and without irritation of an artificial nature, the United States would be likely to build a sufficient number of 8-inch-gun cruisers to give Great Britain any serious concern. The disruption of the Conference over this issue, on the other hand, could not fail to give rise to a popular demand for the building of cruisers armed with 8-inch guns to such an extent as to be disagreeable to us and to constitute the contrary of what the British seek to bring about. We naturally could give no undertaking regarding the future actions of Congress in case of agreement, but the British Ambassador should realize that the most sensible manner of dealing with us in the premises is to avoid raising any question as to our freedom in matters of armament which would result only in marked resentment accentuated by the knowledge that, since the Japanese share our views, the British are alone in seeking to limit us to 6-inch guns.

If you approve of this, the effect of such action might be increased if you could telegraph Houghton the substance of the conversation for confirmation to Chamberlain and to me so that I might inform Bridgeman in the premises.

GIBSON

500.A15 a 1/447 : Telegram

The Ambassador in Great Britain (Houghton) to the Secretary of State

[Paraphrase]

LONDON, July 19, 1927—noon.

[Received July 19—7:51 a. m.]

168. Pursuant to instructions in your telegram No. 165, July 16, noon,⁷¹ I had an interview with Chamberlain and gave him an outline of its contents.

He stated that he was fully of the opinion that nothing would be accomplished by a meeting at Geneva between you both. Chamberlain further said that he had only suggested this because he had been told through informal sources in Washington that you had given consideration to such a meeting.

He considered that it would be more advisable to allow the delegates at Geneva to discuss any British concessions as regards the size of cruisers or the total tonnage thereof.

This telegram has been transmitted to Geneva for delegation's information.

HOUGHTON

500.A15 a 1/446 : Telegram

The Secretary of State to the Chairman of the American Delegation (Gibson)

[Paraphrase]

WASHINGTON, July 19, 1927—4 p. m.

55. Your No. 106, July 18, 11 p. m. After discussion of matter with the Secretary of the Navy and with the naval experts, our opinion is outlined as follows:

1. We must adhere to 5-5-3 ratio as qualified by your suggestions in regard to slight concessions should exact ratio be impractical;

2 and 3. After reaching agreement on total cruiser tonnage, we must retain right to construct number and type of cruisers up to 10,000 tons together with liberty to arm such cruisers up to 8-inch guns, within total tonnage agreed upon, or as with new construction our needs may require;

4. We do not understand Japanese delegation's suggestion set forth in your No. 105, July 18, 3 p. m. Please cable explanations and additional figures. We fail to see how the 25 percent of the total tonnage of old vessels would make it possible for us to use destroyer

⁷¹ Quoted in telegram No. 50, July 16, 1 p. m., to the chairman of the American delegation, p. 108.

tonnage until we should have built up in cruiser tonnage. We should have to scrap these, apparently, and would be unable to build any more. We do not understand, moreover, why the British proposition has it that we build only twelve 10,000-ton cruisers when the British themselves have larger number if their 9,750-ton cruisers are included.

5. We do not believe that the British actually intend to limit tonnage of cruisers to extent which will be satisfactory, but have in mind to break up Conference on matter of size of guns and cruisers. It is our belief that British should first agree on total cruiser tonnage not to exceed our 400,000 tons.

KELLOGG

500.A15 a 1/458 : Telegram

The Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, July 19, 1927—5 p. m.

[Received 11:05 p. m.⁷²]

108. Meeting this morning with Bridgeman, Cecil, Ishii and Saito to continue discussion memorandum quoted in my 105, July 18, 3 p. m. I pointed out that in my opinion the suggestion of 500,000 tons surface craft and the retention in addition thereto of 25 percent over-age vessels was in effect a camouflage method of increasing total tonnage to 625,000 tons; that while latter figure was within range of figures we had reluctantly indicated a willingness to discuss I felt that it might be more candid to give the total tonnage including so-called over-age ships, particularly if the age limit fixed was to be 16 years for cruisers and 12 for destroyers. I said that it might be different if the age limits were 20 and 16 years. Bridgeman said that their suggestion had been on the bases of 16 and 12 years respectively but that these ages might be open to negotiation. Ishii stated that Japanese delegation had felt that for ships constructed prior to Washington Conference and which had gone through the war the figure of 16 and 12 years might be equitable but that for post-Washington ships they would desire age limits to 20 and 16 years respectively. Ishii also indicated that the idea of a separate class of over-age vessels would be convenient for them, [that they?] could accept a reasonable ratio to 500,000 tons for the United States and Great Britain but could not agree to a ratio to 625,000 tons. (Apparently the camouflage facilitates Japanese position as it would not require new construction on their part to reach approximately 300,000 tons of surface craft other than the 10,000-ton cruisers contemplated.)

⁷² Telegram in three sections.

I pointed out that except for destroyers and certain decrepit armored cruisers we would have nothing that would go into the over-age class but that if we could reach agreement on other questions I would be prepared to discuss a formula for retention of over-age ships but could not commit myself to it at the present juncture.

I then stated that I wished to get down to the real question upon which our whole discussion hinged, namely, the 8-inch gun; that if this question was discussed solely from the technical point of view it was doubtful if a solution could be realized; that the only possible way to reach a solution was through discussing the problem from the point of view of its practical application to the relations of the two countries; that it was nothing more than the question of how we were likely to use a part of our cruiser tonnage and that I wished to present to them the broad political aspects of this question rather than its technicalities.

I made it clear that on the basis of 300,000 tons of cruisers and assuming twelve or more 10,000-ton cruisers were constructed and with retention of *Omahas* we would have available only 100,000 tons or less for other cruiser construction and that as a practical matter during the life of the treaty it was in my personal opinion problematical whether we would avail ourselves of all of this tonnage in 8-inch-gun cruisers in addition to the construction of a given number of 10,000-ton cruisers.

In view of Japanese situation which on the basis under discussion would permit no new construction of vessels other than specified 10,000-ton vessels the issue was clearly one between the United States and Great Britain and I asked the British delegates to clearly consider our probable course of action in the way of construction of 8-inch [-gun] vessels; first, if we reached friendly agreement and had a treaty; and second, if our negotiations broke down because of British attempt to impose on us a type of vessel which is unsuitable for us.

I said that in my opinion if an attempt were made to deny our liberty of armament within tonnage limitation there was danger they would find they had driven us into an extensive building program.

I made it quite clear that in my opinion treaty which deprived us of our liberty of action with respect to arming the proposed second class of cruisers as we saw fit would not be ratified; that Great Britain had assured cruiser supremacy for many years to come, an overwhelming merchant fleet which could be armed; that we could not be expected to accept restrictions as to arming cruisers and that an attempt to deny us our liberty of action would be the best method of arousing popular resentment and driving us into a big building program.

Cecil seemed to be considerably impressed by this statement, Bridgeman less so. Latter stated that our insistence upon right to build

8-inch [-gun] cruisers would force them to readjust their tonnage levels upward; that they had already made considerable concessions to get down to tonnage levels which we could all discuss and that this had been conditioned upon elimination of 8-inch gun except on specified number of 10,000-ton cruisers.

I asked Bridgeman to look at this whole problem along the lines I had indicated; that the crux of the whole problem was whether they thought we were likely to dispose of 100,000 tons or less of cruisers tonnage in such a way as to threaten the security of the British Empire. If so, we ought to know it. If not, there should be no strong reason for contesting our right to build as we like.

I then reemphasized that in my opinion British insistence was based on fear of a situation which was not likely to arise, namely, a building program of 8-inch-gun vessels which would be source of apprehension to the British Empire, and I again suggested the possibility of some political clause in the treaty which would permit reexamination of the cruiser provision in the event that our construction of 8-inch-gun vessels was a cause of apprehension to either of the other contracting powers. Cecil took up this suggestion and we had a brief discussion as to the form which such an article might take and then adjourned until tomorrow when we will give the matter further consideration.

[Paraphrase.] A stipulation of this nature may conceivably afford an escape from the present difficulty and I shall today or tomorrow cable you a proposed solution in accordance with this idea. Additional instructions from his Government are awaited by Bridgeman and he is not urging an early decision on the matter of 8-inch guns. Sending copy to London. [End paraphrase.]

GIBSON -

500.A15 a 1/457 : Telegram

The Chairman of the American Delegation (Gibson) to the Secretary of State

[Paraphrase]

GENEVA, July 19, 1927—midnight.

[Received July 19—10:20 p. m.]

110. I was informed this evening by Bridgeman that Cecil and he had received instructions to proceed to London for consultations which would consume about a week's time, but that he trusted he would be able to return to Geneva by Monday to resume his duties. It seems to me that while Bridgeman and Cecil are discussing matters with the Cabinet in London it would be a most opportune time for a plain presentation of the American attitude as regards essentials to be placed before the British. My reason for suggesting this

is that from the commencement of the Conference both the Japanese and American delegations have felt that Bridgeman was loath to believe that the statements made by our two delegations were the real opinions of the American and Japanese Governments, and that we would eventually accede to the British proposals if some method could be found to disguise the main issues. We therefore undertake to suggest that you present to the British Ambassador or to Mr. Chilton a full statement of our views in the premises, or, if you do not consider this advisable, that you have Mr. Houghton transmit a résumé of our position to Chamberlain in London so that during their conferences with Bridgeman the Cabinet may have our opinions before them. It is further suggested that a plain statement be made that we consider the following points absolutely essential and that we have no intention of foregoing these, and that we do not consider it at all necessary to continue discussing other matters if the British are unwilling to have a discussion on this basis.

1. In order to negotiate a treaty which would be acceptable to us it would be necessary to fix a tonnage level which would represent real limitation, i. e., very slightly greater than tonnage now in use by the British plus the surface combatant vessels they now have under construction.

2. Under an amount to be determined upon, the United States cannot agree to a limitation of unit displacement of cruisers which would render impossible mounting what we consider efficient 8-inch gun batteries.

Definite announcement by the British regarding their stand on the above matters would make it possible for us to decide whether any advantage would be gained by proceeding further with our negotiations. Therefore, we entertain the hope that Mr. Bridgeman will, upon his return from London, be able to give us definite replies.

In my conversation with him this evening I said that I hoped the British would find it possible to meet us on some common ground and that he would not return with their old proposals under different guise.

GIBSON

500.A15 a 1/457 : Telegram

*The Secretary of State to the Chairman of the American Delegation
(Gibson)*

[Paraphrase]

WASHINGTON, July 20, 1927—3 p. m.

57. Your No. 110, July 19, midnight. After my telegram to Houghton last week,⁷³ it is somewhat embarrassing to take matter up

⁷³ Quoted in telegram No. 50, July 16, 1 p. m., to the chairman of the American delegation, p. 108.

again with British Government. I am willing, however, to do anything that will be of assistance in bringing about an agreement.

In regard to your suggestions, the first seems to be taken care of by my telegram to Houghton; do not fully understand the second.

If I go no further than to say to the British that we cannot accept limitation of unit displacement of cruisers which would preclude armament of efficient battery of 8-inch guns, would not British assume that we are willing to make agreement to build cruisers below 10,000 tons with 8-inch guns?

KELLOGG

500.A15 a 1/460 : Telegram

The Chairman of the American Delegation (Gibson) to the Secretary of State

[Paraphrase]

GENEVA, July 20, 1927—4 p. m.

[Received July 20—1:40 p. m.]

111. Your No. 55, July 19, 4 p. m., points 2-3, states that we were to reserve the liberty, after agreement on total tonnage for cruisers, to construct within the agreed tonnage any type and number of vessels up to 10,000 tons with the right of placing thereon 8-inch guns or such armament as our requirements might call for.

This would constitute, and we feel it our duty to draw your attention to the fact, a more unbending attitude than was envisaged in the course of the conversations we had in Washington when it was determined that our rights should be upheld to the allocation in maximum size cruisers of 60 to 70 percent of our total cruiser tonnage. The statement under reference, further, runs counter to Admiral Jones' declarations in the technical committee and to my own statements in the plenary session and to those of the other chief delegates, to the effect that we would be willing to examine the subject of the percentage of largest size cruisers if desired. We feel quite certain, should we at the present time flatly declare our right to allocate our entire tonnage to 10,000-ton vessels, that the British would claim that we had gone back on our previous promises in the matter and would be quick to use this as an excuse for wrecking the Conference. In the event of a rupture, we should be most careful not to furnish them with a pretext. My telegram No. 106, July 18, contained a suggestion concerning the smaller class of cruiser which had been elaborated by the naval advisers of our delegation. They are now in receipt of the Navy Department's studies, transmitted in your telegram No. 56, of July 19,⁷⁴ which show that our needs can be efficiently met by

⁷⁴ Not printed.

an 8,300-ton cruiser, and we therefore believe that it would be far more advisable not to depart from the attitude hitherto adopted of being willing to examine the possibility of a smaller category of cruiser, upon which 8-inch guns could be effectively mounted. Should the British then decline to entertain conversations on this basis our position would be a strong one.

A declaration of our insistence upon our power of allocating all the tonnage which we have available to 10,000-ton cruisers would be most unfortunate. Upon this point the entire delegation is agreed. We are equally agreed as to the essential necessity of avoiding any sacrifice whatever of primordial interests but we also wish to avoid the possibility of being blamed for declining to examine the suggestions which are reasonable.

The other matters discussed in your telegram No. 55, of July 19, are receiving careful attention and our comment thereon will be telegraphed to you shortly.

GIBSON

500.A15 a 1/467e : Telegram

*The Secretary of State to the Chairman of the American Delegation
(Gibson)*

[Paraphrase]

WASHINGTON, July 21, 1927—2 p. m.

59. There is no intention to restrict you to more rigid stand than was thought of during discussions in Washington in regard to the use of about 70 percent of total tonnage in the construction of 10,000-ton cruisers. Remaining cruiser tonnage would include 10 cruisers of the *Omaha* class and the class of efficient 8-inch-gun cruisers of an agreed tonnage. Department does not desire you, of course, to refuse to discuss any plan or proposal which you have agreed to discuss. Department feels, however, that recommendation made by naval advisers (see your No. 106, July 18, 11 p. m.) on right to arm all new cruisers with 8-inch guns should be adhered to.

KELLOGG

500.A15 a 1/467c : Telegram

*The Secretary of State to the Chairman of the American Delegation
(Gibson)*

[Paraphrase]

WASHINGTON, July 21, 1927—3 p. m.

60. Sir Esme Howard called on me today, primarily, so he said, to let me know that Mr. Chilton was returning to Washington, but that

Sir Esme himself was going back to Manchester, Massachusetts, but would come down any time I wished. He then remarked, incidentally, that he had observed in the press that the British and Japanese delegations had reached agreement on equality of submarine tonnage, and that he wished to deny truth of report. I said that I did not understand that the two delegations had come to such an agreement, although the British had proposed one which the Japanese had stated they did not desire. I thought it well that I should let him know I was aware of the British proposition. The Ambassador then discussed the Conference very generally, saying he was not very hopeful in regard to it and that he felt Great Britain had made great concessions but that the American delegation had not made any. I stated very emphatically that our delegation had made extensive concessions by suggesting we might agree to tonnage level much higher than we had originally proposed; that it was true that if the British demanded over 400,000 tons there would be no object to making a treaty, and that we did not believe that the Japanese would accept this. As far as concerns Great Britain's position in trying to force this Government to build the greater portion of its cruisers in small tonnage with 6-inch guns, the British Government might as well understand that the Government of the United States could not and would not accept it. I explained to him again the necessity for larger unit cruiser displacement and for 8-inch-gun armament, particularly in view of larger number of merchantmen which Great Britain has which she can arm with 6-inch guns. Howard said that British Navy denied this. I replied that I depended on our Navy for our opinion. I also took advantage of this occasion practically to comply with your No. 110, July 19, midnight, and to inform Howard that Great Britain must not only agree to a total tonnage, if any treaty was to be made, but must also agree to the mounting of 8-inch guns. I do not doubt that he will report immediately to his Government what I said.

KELLOGG

500.A15 a 1/463 : Telegram

The Ambassador in Japan (MacVeagh) to the Secretary of State

Tokyo, July 21, 1927—6 p. m.

[Received July 21—10:20 a. m.]

102. A member of my staff who had an informal talk with the Vice Minister for Foreign Affairs today took the occasion to refer to the reported agreement on July 16th at Geneva by the Japanese delegation with the last British proposal. The Vice Minister for Foreign Affairs stated that Admiral Kobayashi had expressed the opinion to Admiral Field that the Japanese Government would accept these proposals.

Mr. Debuchi said that the Japanese Government had not however given its assent and that the proposals were still subject to tripartite discussion. He intimated that the Japanese Government still hoped to bring the maximum combined cruiser-destroyer tonnage down to 450,000 tons and stated that the British 6-inch gun proposal had not received the approval of the naval experts here. He said that the Japanese Government also realized that the obsolete cruiser tonnage clause presented difficulties. As regards submarine tonnage, he said that the Japanese had hoped for 70,000 tons. The Vice Minister for Foreign Affairs reiterated, however, that no decision had been reached by the Japanese Government and that they especially wished our Government to understand, as he having [*had*] made and felt sure Saito had made plain, that they have no intention of placing us in a difficult position by reaching a preliminary accord with the British. He said that this was a three-power Conference and would remain so.

MACVEAGH

500.A15 a 1/486a

The Secretary of State to President Coolidge

WASHINGTON, July 22, 1927.

MY DEAR MR. PRESIDENT: I have not written you of late about the Geneva Conference, as I thought the paraphrase of telegrams we are forwarding would keep you fairly well posted, that is, if you have time to go through them. I know it is quite a job and the discussion is often more or less technical. Everything that comes from Geneva is taken up with the Navy Department and I am keeping in close touch with the Secretary and with Admiral Eberle and his Assistants. I cannot say that I am very hopeful of any practical result from the Conference. As you will notice, there seems to be very little trouble about an agreement so far as submarines and destroyers are concerned, although no definite understanding has yet been reached by the Conference, but there are very grave difficulties over the question of cruisers. The principal points raised are, first, the total tonnage of cruisers, and second, the size of cruisers and the gun caliber of their armament. As to the first proposition, as you know much to the surprise of everybody, Great Britain's demands as to the tonnage of cruisers were exorbitant. Japan would not think of agreeing to anything of the kind and so far as the United States is concerned it would be perfectly useless, in fact, injurious to make such an agreement. Admirals Jones and Long and Mr. Gibson, who had been in touch with the British during the Preliminary Conference and with the British Admiralty in London, were very greatly surprised and disappointed. We had, in fact, no reason at all to think Great Britain would demand any such thing.

You will notice that they started in with a suggestion of about 600,000 tons. One of their experts even suggested 750,000 tons. They then came down to 562,000 tons and finally stated they would be willing to accept 462,000 tons up to 1936, but should build to 562,000 tons after that. Of course neither Japan nor the United States was willing to agree to any such proposition and after a long time I think the British Government came to the conclusion that it was useless to negotiate on that basis. Finally the British, after discussing it with the Japanese, suggested that they might agree to 500,000 tons of cruisers and destroyers, under sixteen years of age for cruisers and twelve years of age for destroyers, provided they were permitted to keep twenty-five percent of their total tonnage (500,000 tons) in addition to this in vessels over these ages. Why this was put in this form I cannot understand and neither do the Navy, and I am awaiting detailed explanation from Geneva. We could agree to 500,000 tons which could be divided, say 200,000 tons for destroyers and 300,000 tons for cruisers, and, in fact, I suppose we might make an agreement for 625,000 tons divided between the two. But it all depends on what we can build in the place of our old cruisers, all of which are over twenty years of age except 75,000 tons, and whether we would have to scrap a large number of modern destroyers. On this subject we have not yet received any information.

Second, the question of the size of cruisers and armament is a more difficult problem. Great Britain insists that the three powers agree on the number of 10,000 ton cruisers which the countries shall reserve the right to build during the life of the treaty and the number of smaller cruisers and the size of guns. Great Britain would like to have 6,000 ton cruisers or 7,500 ton cruisers, armed with six inch guns. Our experts in Geneva and the Navy here insist on the right to build 10,000 ton cruisers armed with eight inch guns, their reasons being that we need cruisers of wider cruising range than a 6,000 or 7,000 ton cruiser can have, and that Great Britain has a large number of merchant ships, over fifty I believe, which are fast and can be armed with six inch guns, while we have but few. Great Britain has many naval posts all over the world, which enables her to use smaller cruisers with shorter cruising range.

In answer to this the British say that if we build all our cruisers hereafter 10,000 tons, they will be compelled to build a large number. Great Britain already has something like seventeen cruisers between 9,750 tons and 10,000 tons, mostly the latter. Geneva has asked instructions as to whether we insist on the right to build all our tonnage in 10,000 ton cruisers armed with eight inch guns. After a long session yesterday, the Navy concluded that as we already had ten 7,500 ton cruisers that we could agree that during the life

of this treaty we would not build over about seventy percent of our total tonnage in 10,000 ton cruisers. I take it from all that was said yesterday that we probably could not do it anyhow, and this would be a perfectly safe agreement, at least the delegation at Geneva and the Navy authorities here agree so, but they insist that if they build cruisers less than 10,000 tons they shall have the right to arm them with eight inch guns. Of course this is a technical question on which I am not qualified to speak and I am governed by the opinion of the Navy officials. However the fact that we have 75,000 tons of these modern cruisers makes it safe for us to agree on the percentage I have suggested. I think the Navy would be willing, if we desired to build more than seventy percent of our total tonnage, to build 7,500 or 8,000 ton cruisers if they could arm them with eight inch guns. Personally, I am under the impression that if we desire more cruisers we could use some smaller cruisers at home bases, I mean by that in the neighborhood of the United States and Hawaii, just as well as the British Government would do, but I do not feel competent to decide this question myself.

We sent a telegram yesterday authorizing them to agree that we would not build over about seventy percent of our cruisers in 10,000 ton size before the expiration of this treaty in 1936, but insisted on arming all our cruisers except those we already had with eight inch guns. Of course, there is absolutely nothing in Great Britain's claim that the building of small cruisers is an economy, because taking a certain tonnage, say 300,000 tons of cruisers, of course it is more expensive to build small cruisers than large cruisers and it is just the same with battleships if you wish to maintain the same total tonnage. This economy program which Great Britain is putting forward is without the slightest merit and is put forward in my judgment to camouflage a demand for an enormous tonnage of cruisers.

The British delegation have been called home to consult the Cabinet. What the result will be I cannot say, but I doubt very much whether Great Britain will be willing to make any agreement which our Navy officials would be willing to make and which we could get ratified by the Senate. I told the British Ambassador yesterday that the American delegation had made great concessions in raising the total tonnage of cruisers, that we did not believe that the Japanese would even come up to this basis, that if the British Government was trying to force the United States to build a major portion of its cruisers in small tonnage armed with six inch guns they might as well understand that we would not do it, that Britain must not only make a limitation in total tonnage to which we could agree, with the right to arm with eight inch guns, or no treaty could be made. I am doing, of course,

everything I can to make the Conference a success, practically spending all my time at it, but I am somewhat disturbed by the situation over there and by the insistence of the British Government on its demands. I cannot understand against whom Great Britain feels it necessary to have such sized armament. There are no other navies in the world which could possibly endanger her commerce or her colonies, or could possibly threaten her present navy and we have offered to put a clause in the treaty which would release all parties if any country laid down a building program which would threaten the building program of any of the signatory powers.

It is hard to keep you posted from day to day as things change so rapidly and the flood of telegrams is so great I do not feel justified in sending all of them to you by telegram.

Faithfully yours,

FRANK B. KELLOGG

500.A15 a 1/469 : Telegram

The Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, July 22, 1927—4 p. m.

[Received 7 p. m.⁷⁵]

112. Point 4, your 55, July 20 [19], 10 a. m. [4 p. m.] Memorandum quoted my 105,^{75a} should not be construed as a Japanese suggestion. It represents points discussed by British and Japanese delegations and indicates a method the British hope may serve to reconcile differences between British and Japanese regarding total tonnage.

Following is in explanation of heading 2 respecting retention of an additional 25 percent over and above 500,000 tons of surface craft for the United States and Great Britain and approximately 300,000 tons for Japan. In executive committee meeting July 9th Viscount Ishii said that the Japanese delegation were prepared to consider favorably a suggestion made by Mr. Bridgeman that if a number of ships were allowed to be retained after they had reached their replacement age this would facilitate discussing the questions of total tonnage and total number of smaller cruisers. This idea of retaining over-age vessels has previously been incorporated in various proposals presented by the British (see my 83, July 12, 9 p. m.; 101, July 17 noon;⁷⁶ also see comment thereon in my 105 and 106). The essence of the proposal is:

⁷⁵ Telegram in three sections.

^{75a} *Ante*, p. 109.

⁷⁶ Telegram No. 101 not printed.

First, neither the United States nor Great Britain shall maintain more than 500,000 tons of auxiliary surface craft including cruisers and destroyers which are under the age limits of 16 and 12 years;

Second, the two powers may each maintain an additional 125,000 tons of ships which have passed the ages of 16 and 12 years;

Third, as ships pass from the first to the second group they may be replaced in the former by completed new construction; but in the event that the tonnage of the second group had already been entirely taken up by over-age vessels an equivalent tonnage from the second group would have to be scrapped;

Fourth, the total tonnage of the first group could be filled up to its limit by new construction and thereafter new construction could only proceed as vessels of the first group passed the age limit.

Insofar as our present situation is concerned such a proposal would not require immediate scrapping. In the allowed 500,000 tons of surface craft we could retain 10 *Omahas*, 60,000 tons, also approximately 50,000 tons of old cruisers and all our 307,000 tons of destroyers. In the over-age tonnage of 125,000 we could place our remaining 115,000 tons of very old cruisers or we could maintain such other subdivision of cruisers and destroyers as appeared desirable. As new cruisers are completed we could fill up the first group to the allowed 500,000 tons and thereafter transfer over-age vessels to the second group as required and scrap the oldest vessels when the 125,000-ton limitation is reached. (All figures in Washington standard tons.)

This proposal as advanced is of advantage to Great Britain in that the total tonnage figure is camouflaged and permits her to build up to a total of 500,000 tons of cruisers and destroyers below their proposed age limits of 16 years for cruisers and 12 years for destroyers. Great Britain is in a position to fill the supplementary group of 125,000 tons during the life of the treaty with efficient vessels which are now less than 16 years old (which we could not do) and gives them a clear advantage over the United States of all vessels placed in the second group. Before we could discuss such a plan we should have to devise modifications which would give us adequate compensation in second group.

The Japanese do not desire a total tonnage limitation which will lead to new construction on their part, as they have stated that their people would force them into building if the treaty permitted it. On the basis of approximately 300,000 tons of surface craft in first place they would not have any free tonnage available for construction other than that tonnage required for the completion of the 10,000-ton cruisers now building or projected by them. Further they would not have any considerable number of vessels which would

pass into the second group thus making room for new construction. The vessels which the Japanese would be able to place in the second group are generally of low combatant value and it is judged from their previous propositions that they feel they would be as satisfactorily situated without these vessels as with them. The Japanese have apparently acquiesced in this proposal in an endeavor to facilitate solution of the British problem. The only features of this plan which might make it deserving of consideration with a view to modification to meet our situation are that it tends to restrict new construction on the part of the nations and brings the tonnage of cruisers in first group within figures Japanese are apparently prepared to discuss.

An unsatisfactory feature of this proposal as presented is that the cruisers we have available for placing in the second group are of low combatant value and it will be impossible for us to derive any considerable benefit as far as cruisers are concerned from the additional [125,000 tons] during the life of the treaty as compared with Great Britain unless some satisfactory modification can be found. The Japanese, like ourselves, secure no substantial benefit from second group but they seem more interested in restricting first group to approximately 300,000 so as to make further new construction unnecessary.

In unofficial conversations, members of the Japanese technical advisory group have stated that they do not favor the plan for themselves and further that they recognize the plan as being obviously unfair to the United States in its present form. Ishii and Saito on the other hand seem favorably disposed to the plan but probably would not oppose modifications which would make it more equitable for us if such modifications did not force them to demand changes for themselves which would require new construction.

We are giving careful attention to this scheme and to modifications necessary to make it even a possible basis for discussion as we object to its camouflage features. We are working on modifications which will fully guard our interests and limit tonnage in a straightforward manner.

With respect to further point raised in paragraph 4, your 55, we think that British and Japanese would agree to some arrangement satisfactory to the United States for retention by Great Britain of the four *Hawkins*. This question has not yet been discussed as its solution will depend on the establishment of two classes of cruisers.

GIBSON

500.A15 a 1/474 : Telegram

The Chairman of the American Delegation (Gibson) to the Secretary of State

[Paraphrase]

GENEVA, July 22, 1927—1 p.m.

[Received July 23—11 a. m.⁷⁷]

114. Your No. 55, July 19, 4 p.m., in regard to adherence to the 5-3 ratio with Japan, as set forth in my telegram 106 of July 18.

In a recent informal conversation with some of the members of the Japanese delegation they expressed their regret that we had not taken up the question of ratio with them in detail and they indicated their fear that other questions would be settled, leaving unsettled only the question of ratio with Japan, and that if the Conference should then fail on account of American-Japanese disagreement on ratio this would bring about bad feeling between the two countries which they were most desirous of avoiding.

Hitherto we have refrained on purpose from discussing the ratio question with the Japanese in detail since our disagreements with British delegates seemed of such a fundamental nature that it would be bad policy to raise difficulties with the Japanese as well, particularly as we hoped for their support in reducing the exaggerated British tonnage demands and the maintenance of our freedom to arm with 8-inch guns. However, in view of the possibility that the British delegation will be in a position to negotiate on these points upon their return it may be necessary for us to discuss ratios and tonnage with the Japanese at a very early date.

As you know, even before the Conference the Japanese were emphatic in their demands that they could not take home a treaty based on the minority ratio with any hope of obtaining ratification. Nevertheless, I have every reason for hoping that even the encouragement which British have given them to ask for a substantial modification of the ratio will not lead them to forget the fact that we for our part cannot expect ratification of any treaty which might substantially impair the principle of the ratio. This much has already been made very clear to the Japanese.

In all our discussions the Japanese have indicated that they hope to take home a treaty which will not require that they indulge in new construction other than that already planned. It is obviously to our interest that they maintain this position, particularly as it is their feeling that if the treaty gave them latitude in building, popular opinion would very likely compel them to do so.

⁷⁷ Telegram in two sections.

It is my opinion that a careful balance should be struck between the unfavorable results of a small change in the 5-3 ratio and the tangible gains arising from an agreement. Changes of a minor nature which would enable the Japanese Government to overcome their domestic political criticism while not invalidating the ratio principle should, I believe, receive careful study.

Would you object to expanding the instructions you originally gave us in such a way as to allow Jones and me to discuss with the Japanese, and refer to you for your decision, our ideas as to methods which might be adopted for reaching a compromise which would satisfy our justifiable demand for the maintenance of the 5-3 ratio as well as satisfying the Japanese necessity for meeting their domestic political objections?

You are, of course, aware of the Japanese dislike for the term "ratio" and we have therefore endeavored to discuss the matter in terms of tonnages while at the same time remaining hopeful of maintaining the actual ratio figure. You might consider coming to some reasonable adjustment on tonnage basis.

GIBSON

500.A15 a 1/475 : Telegram

The Chairman of the American Delegation (Gibson) to the Secretary of State

[Paraphrase]

GENEVA, July 23, 1927—2 p. m.

[Received July 23—1:50 p. m.]

115. Reference is made to my telegram No. 82, of July 12, 8 p. m., and to the next to the last paragraph of my telegram No. 108 of July 19, 5 p. m. The draft which follows is submitted with the hope that you will let us have your comments as to whether you consider objectionable a political clause similar to the one contained therein. The American delegation is conscious that a treaty without such a clause would be preferred and will suggest such a clause only should it prove to be the sole way of harmonizing our positive stand concerning freedom of action on armament with the British insistence that they will be compelled to ask for some rearrangement of the total tonnage limitation for cruisers if the United States persists in maintaining its right to build cruisers which will carry 8-inch guns.

As a practical thing, I do not believe the British would ever wish to make use of such an article or that our construction program would ever cause them any actual uneasiness and this was the only reason I suggested the possibility of such a clause. However, it is quite possible that an article of this nature might assist materially in obtaining

British ratification of any treaty which might be negotiated between the three powers at Geneva.

It should be understood, of course, that the draft given below is only a rough form of what such an article might include and an expression of your views in the premises would be appreciated:⁷⁸

"In event that prior to December 31, 1936, any one of the contracting powers shall consider that the tonnage allocation in the cruiser class has been utilized by any other of the contracting powers in a manner to call for an adjustment of the total tonnage allocation of that class, such high contracting party may at any time, subsequent to January 31, 1931, convoke a meeting of the Powers parties to the present treaty, with a view to ascertaining whether such an adjustment can be made by mutual agreement. In the event that no agreement is reached at such a conference, any of the high contracting parties may give notice of the desire to terminate the present convention and this notification shall be effective within one year after the receipt thereof by the other parties to the treaty. In such an event, the treaty shall terminate with respect to all of the parties thereto."

When this matter was discussed in the American delegation, the opinion was expressed that while it was improbable, from a practical standpoint, that a conference would be convened by reason of any program of American naval construction, nevertheless, such a clause might give rise to the objection that a pretext is given to bring diplomatic pressure designed to hamper legitimate construction.

This objectionable feature might be overcome by an article in which more general phraseology was used, similar to the rough draft given below:⁷⁸

"If, during the term of the present treaty, circumstances should arise which, in the opinion of any contracting power, materially threaten its national interests, the contracting powers will at the request of such power, meet in conference with a view to the reconsideration of the provisions of the present treaty and its amendment or abrogation by mutual agreement, provided that such request be made not less than 6 months prior to the time of meeting and the reasons for the request are fully set forth."

GIBSON

500.A15 a 1/475 : Telegram

*The Secretary of State to the Chairman of the American Delegation
(Gibson)*

[Paraphrase]

WASHINGTON, July 25, 1927—11 a. m.

61. Your No. 115, July 23, 2 p. m. I observe no particular objection to first political clause if necessity arises for it. In view of long

⁷⁸ Quoted paragraph not paraphrased.

distance the Japanese have to travel and time required by both countries to prepare for conference it might be well that 6 months' notice be required before any meeting called under this clause be held; or, the clause might be made a part of general revision clause of the treaty.

KELLOGG

500.A15 a 1/474 : Telegram

*The Secretary of State to the Chairman of the American Delegation
(Gibson)*

[Paraphrase]

WASHINGTON, July 25, 1927—12 noon.

62. Your No. 114, July 22, 1 p. m. My No. 55, July 19, 4 p. m., answering your No. 106, July 18, 11 p. m., was intended to allow latitude for slight variations which were recommended by naval experts at Conference and reported in your No. 106, and which were approved here. Naturally we have no interest in the word "ratio" and would be willing to have it interpreted into actual tonnages. I should like to have recommendation of your naval advisers on how much variation they would recommend. Political question which must finally be decided is how far we could vary from Washington treaty without endangering treaty itself. Any substantial variation from the Washington treaty, as you can readily see, would at once be seized upon for opposition; on the other hand a variation arising naturally from inclusion of a certain number of cruisers would not be serious.

KELLOGG

500.A15 a 1/487

President Coolidge to the Secretary of State

RAPID CITY, S. DAK., July 25, 1927.

[Received July 27.]

MY DEAR MR. SECRETARY: So far as I have been able to follow the course of the Conference, I have nothing but commendation for the position you have taken and the ability with which Mr. Gibson and the Admiral have presented our position. We have made a perfectly straightforward and candid presentation of a plan for limitation. I do not think we should deviate from it. If others are unwilling to accept it, we can very well be content with having made a fair proposal and leave others with the responsibility for its rejection. We should by all means keep our right to build such 10,000 ton cruisers

as we wish and arm our vessels with such 8 inch guns as we wish. This statement, of course, is limited by any agreement we can make with others and the right of the British to build a like number. I am not in favor of the 6 inch gun and small cruiser proposals. I must confess that it is very disappointing to have the British position revealed to us, as it apparently shows a state of mind on their part which I did not suppose existed. In my opinion they are very shortsighted and can not hope to secure any advantage by building a navy larger than ours. Of course, there is no other navy against which they need to build.

Very truly yours,

CALVIN COOLIDGE

500.A15 a 1/482b : Telegram

*The Secretary of State to the Chairman of the American Delegation
(Gibson)*

[Paraphrase]

WASHINGTON, July 26, 1927—11 a. m.

63. The press of Great Britain is evidently trying to impress the British public with view that their Government are seeking economy in advocating small cruisers. *Daily Mail* says that if the Conference breaks down it will be clear to world that it was brought about not through British intransigence but by ambitions of the United States to build a big navy. While I do not wish to interfere with any amicable discussion which you may be having at Geneva, I shall nevertheless be compelled, if this sort of thing continues, to say publicly that Great Britain is the only country which is seeking a large naval program carrying with it an enormous increase in cost; that this Government offered to restrict total tonnage of cruisers to 250,000 to 300,000 tons and is still willing to accept this restriction, but that the British demand practically twice that amount; that with each country given a total tonnage limitation there is no economy whatever in building small cruisers but an increase in expense instead; that Great Britain can construct as many small cruisers as she wishes, but that this Government does not wish to construct a large number, not only because they are unsuitable to our needs but also because they are more costly. If Great Britain wishes to build such a size navy she is at liberty to go ahead and do it without a treaty. The United States views the Conference as one for naval limitation, not for naval expansion, and will insist on right to equality in the Navy with any other power.

KELLOGG

500.A15 a 1/485 : Telegram

The Chairman of the American Delegation (Gibson) to the Secretary of State

[Paraphrase]

GENEVA, *July 26, 1927—5 p. m.*

[Received July 26—1:40 p. m.]

116. Several alternative naval arrangements may be proposed should we fail to arrive at a complete accord with the British and Japanese. The following have been hinted at on numerous occasions:

1. That the United States enter into a two-power arrangement with either the Japanese or the British;

2. That cruisers should be unrestricted and an agreement negotiated covering only the two categories of submarines and destroyers;

3. That small cruisers shall be unrestricted and restriction placed upon 10,000-ton cruisers;

4. That an arrangement based on building program up to 1931 might be negotiated.

Am not sympathetic towards any of the above proposals and have given no indication that I am. Therefore, unless I receive instructions to the contrary, I shall assume the attitude that the United States is only concerned with an arrangement which would be general enough to comprise all categories of naval craft.

GIBSON

500.A15 a 1/485 : Telegram

The Secretary of State to the Chairman of the American Delegation (Gibson)

[Paraphrase]

WASHINGTON, *July 27, 1927—noon.*

65. Your No. 116, July 26, 5 p. m.

1. There is nothing to be gained by entering into a two-power pact.

2. The United States will not make an agreement on destroyers and submarines unless cruisers are included also. Certainly there would be no object in our agreeing to limitation of destroyers of which we have a large number and where we should have to scrap live craft.

3. The United States will not enter into an agreement whereby 10,000-ton cruisers alone are restricted, and thus leave smaller cruisers unrestricted. Such an agreement would limit us on those cruisers we expect to build and would allow Great Britain to build an unlimited number of smaller cruisers.

4. We do not see that there is much to gain from a building program until 1931, as it is impossible for the Department to predict what the Congress will do. We should be glad to have you inform us what you have in mind on No. 4.

KELLOGG

500.A15 a 1/493 : Telegram

The Ambassador in Great Britain (Houghton) to the Secretary of State

LONDON, July 28, 1927—10 a. m.

[Received July 28—7:53 a. m.]

173. My 172, July 27, 1 p. m.⁸⁰ Sir Austen Chamberlain made Government statement yesterday afternoon outlining British position at Geneva. His remarks included the following statement:

"In the opinion of His Majesty's Government there need be no difficulty in arriving at a temporary arrangement about the immediate future of cruiser building. But the British Empire cannot be asked to give to any such temporary arrangement the appearance of an immutable principle which might be treated as a precedent. Any other course would inevitably be interpreted in the first article as involving the formal surrender by the British Empire of maritime equality, a consummation which His Majesty's Government are well assured is no part of President's policy."

Repeated Geneva.

HOUGHTON

500.A15 a 1/494 : Telegram

The Chairman of the American Delegation (Gibson) to the Secretary of State

[Paraphrase]

GENEVA, July 28, 1927—2 p. m.

[Received July 28—10:05 a. m.]

122. This morning Bridgeman called and, although he did not reveal full details of the new British proposals, he did not indicate that any substantial change had been made in the previous British insistence on small cruisers and armament of 6-inch guns. The delegates of the three powers are having a meeting this afternoon.

We consider it extremely unlikely, in view of the foregoing, that a break-down can be avoided, and this afternoon shall telegraph a

⁸⁰ Not printed.

general outline of our proposed statement for the final plenary session. We shall insist that sufficient time be allowed us before plenary session in order to communicate fully with you and to receive your final instructions.

GIBSON

500.A15 a 1/499 : Telegram

The Chairman of the American Delegation (Gibson) to the Secretary of State

GENEVA, July 28, 1927—9 p. m.

[Received 11:50 p. m.⁸¹]

126. Private meeting this afternoon of the delegates excepting those in the British Dominions. After apologizing for having delayed the proceedings of the Conference for over a week, Mr. Bridgeman said that they were prepared to continue the discussions on the basis of the memorandum quoted in my 105, July 18, 3 p. m., by adopting certain variations. He then circulated a memorandum quoted my 125, July 28, 8 p. m.⁸²

As having seen that this memorandum contained the same objectionable provision with regard to 6,000-ton 6-inch-gun cruisers I asked Mr. Bridgeman whether he had presented to the British Government the view I had made clear to him. See my 108, July 19, 5 p. m., as to freedom of armament of all cruisers with 8-inch guns. Both he and Cecil said that they had discussed this question in great detail while in London and that the British Government was of the opinion that it was desirable to limit for the future the armament of cruisers to 6-inch guns. Bridgeman added that they could not agree to a clause which left open the question of constructing other than certain specified 10,000-ton vessels with 8-inch guns. They then added that their last admonition from the Cabinet [was that] "unless the treaty provides for the limitation of the 8-inch gun the British Government feel that it would be a treaty not for a limitation but for an increase of armaments." We then made it clear that under these circumstances we were apparently at a deadlock and I asked whether this was their final word on this question as I was unwilling to transmit their proposals with a statement that their position on the 8-inch gun was one of complete finality unless this were the case. They then reaffirmed their position and stated that they could not go further than as indicated in paragraphs 4 and 5 (a) of their memorandum.

As we wished to place before them for submission to the British Government political clause quoted my 115, July 23, 2 p. m., amended

⁸¹ Telegram in two sections.

⁸² No. 125 not printed, but see S. Doc. 55, 70th Cong., 1st sess., p. 177.

pursuant to your 61, July 25, 11 a. m., copy was thereupon distributed; but Bridgeman stated that it would not meet their situation and he was sure it would not be acceptable as it indirectly countenanced the construction of a type of vessel which they desired to suppress.

Cecil then asked Viscount Ishii what they had to say with respect to 8-inch-gun question. Ishii replied that they did not wish to be bound by any engagement for the future but have no plan to construct further 8-inch-gun cruisers prior to 1936 other than 10,000-ton vessels specified.

There was then a discussion as to when a plenary session could be held in order that British might "explain their proposals to the world." While we did not offer objection we said that if they wished to give us time to indicate our consent with respect to their proposals after having communicated them to our Government it would be necessary to wait until Monday. Ishii supported this view and Monday has been tentatively fixed for a plenary session.

Viscount Ishii then expressed some surprise at the new British proposal regarding submarines, pointing out that instead of parity at 60,000 tons a ratio of 90,000 to 60,000 was proposed and included in a total tonnage for all categories. The British delegates made a rather unsuccessful effort to explain their withdrawal of Admiral Field's earlier proposal to the Japanese. Admiral Jones and I felt that as we had reached a deadlock on 8-inch-gun cruisers (paragraph 5) there was no useful purpose to be served by discussing other features of British proposal.

GIBSON

500.A15 a 1/503 : Telegram

The Secretary of State to President Coolidge

WASHINGTON, July 29, 1927.

Gibson has wired⁸³ suggesting that Monday may be too early a date for us to decide on the language of his speech, especially as we may desire to consult with you, and as we waited ten days for the British it is entirely reasonable for us to ask for more time. Have wired him⁸³ that we do not think there is sufficient time from now to Monday to properly consider the final speech of the delegation, so I have no doubt he will get additional time. With concurrence of the Secretary of the Navy we have sent following message to our Mission at Geneva:⁸⁴

"I think the consequences of the break-up and final abandonment of this Conference are going to be disastrous, not only to the

⁸³ Telegram not printed.

⁸⁴ Telegram No. 69, July 29, 2 p. m.

relations between Great Britain and the United States, but disastrous to all the world as an example that the two leading naval powers are unable to come to any agreement as to limitation, and will make any agreement in the future, even in 1931, perhaps impossible. The moral effect of such a failure, in my judgment, is out of all proportion to the material interests involved. I do not suggest that we can accept British proposition, but wish to suggest for your consideration and immediate suggestions whether it would not be better to abandon the plenary conference on Monday and take an adjournment of this conference for a few months to permit time for reflection. After a plenary conference and the position of both governments stated it will be all the more difficult if not impossible to effect any reconciliation between divergent points of view. I should wish time to consult President about this move, but while I am convinced that no treaty could be ratified on the British basis I view with great alarm a final break-up in this conference."

This of course is simply asking for their views. We feel here that perhaps a reasonable adjournment would be better than a complete break-down but would like your opinion before proposing it definitely.

KELLOGG

500.A15 a 1/519c : Telegram

*The Secretary of State to the Chairman of the American Delegation
(Gibson)*

WASHINGTON, July 29, 1927—4 p. m.

71. The President at his press conference this afternoon said:

"I think the Press has all the information that has come to me relative to the Naval Conference at Geneva. The proposals that have been made by the representatives of Great Britain seem to us to call for the building of a much larger Navy than we think is necessary, so that we haven't been able to agree. Now, whether these proposals may be modified as the result of conference and discussion, I don't know. The proposals that have been presented, as I understand them, call for the building of a larger Navy than we should wish to agree to. I think that is the main obstacle. There are some other collateral questions about the tonnage of ships and the calibre of the guns, but I think the main difference is in the size of the Navy. We called this Conference, thinking that it might result in placing a limitation on Armaments which would perhaps help the countries interested to reduce some as years went by the size of their Navies, which would result in making economies, and secondly, what I thought was of even more importance, the promotion of a spirit of peace and good will and better understanding. I have placed that, of course, as the main object in view. The matter of the removal of the burden of taxation and the economic benefits would be the natural consequences of peace and good will among the Nations. But up to the present time the expressed

desire on the part of representatives of the British Government is for so large a Navy that our representatives and our government haven't been able to agree.

As I said before, I want to emphasize that discussion may modify it to such an extent that we can agree."

KELLOGG

500.A15 a 1/510 : Telegram

The Chairman of the American Delegation (Gibson) to the Secretary of State

[Paraphrase]

GENEVA, July 30, 1927—1 p. m.

[Received July 30—10:10 a. m.]

137. Your No. 69, July 29, 2 p. m.⁸⁵ The delegation is in complete agreement with you on disastrous consequences of final break, with public statements made of the differing positions. Delegation feels very strongly, however, that it would be equally as disastrous were we to let it appear that after having reached a deadlock over a clear-cut question we had avoided issue with inference that we lacked confidence in our position. Any initiative on our part for an adjournment would inevitably leak out and would be interpreted as admission by us that there would be possibility of making concession to British on question where on one hand there is nothing but surrender of a principle and on the other its maintenance. We understand that our position has the almost unanimous backing of the American press. We question if this backing may not be jeopardized for first time if we take the initiative to adjourn.

If we were to accept a proposal for adjournment, clearly emanating from another government, however, this difficulty would be avoided; it would, in fact, be obvious that our acquiescence in such a proposal would be only reasonable. If you desire, suggestion can be made to Japanese delegation (not revealing our initiative) that they propose an adjournment to us and to the British. We believe the latter would be very glad to accept such proposal; we should have to make clear, however, that adjournment and plenary session are mutually exclusive. Once a public stand had been taken an adjournment would be of no purpose. On other hand, if adjournment be agreed on, it is obviously not desirable to prejudice further discussion by making definite public statements.

Please instruct without delay.

GIBSON

⁸⁵ Quoted in telegram to President Coolidge, July 29, p. 138.

500.A15 a 1/510 : Telegram

*The Secretary of State to the Chairman of the American Delegation
(Gibson)*

WASHINGTON, July 30, 1927—7 p. m.

76. I wired the President our No. 69 to you reference to adjournment⁸⁶ and said: "We feel here that perhaps a reasonable adjournment would be better than a complete breakdown but would like your opinion before proposing it definitely." The President replied as follows: "Adjournment probably means continuing recriminations with little prospect of better result. Have clear, firm statement made of our position. Ask for time to prepare it."

This morning I wired to the President your reply, No. 137, July 30, 1 p. m. Have not yet had any further word from the President.⁸⁷ If either of the other countries makes suggestion of adjournment, cable us and we will consider it.

Have not heard from you about postponement of meeting on Monday. If Bridgeman insists on making his speech at that time you should go ahead with yours, as they should both be made at the same time.

KELLOGG

500.A15 a 1/519f : Telegram

*The Secretary of State to the Chairman of the American Delegation
(Gibson)*

WASHINGTON, July 31, 1927—4 p. m.

82. *New York Times* this morning has despatch from London that a new naval holiday plan is understood to be the result of the hastily called Cabinet meeting yesterday and that the deep concern of the Cabinet meeting was how to avoid and check propaganda in Great Britain, the United States and Japan if present conference is doomed. The article further states that the main point of the British plan will be to impose a limit during an agreed provisional period during which building of big fighting cruisers should not go on. British Navy would undertake not to lay down further 10,000 ton cruisers during the period in exchange for an American agreement not to exceed the British number and a Japanese undertaking said to be already obtained not to exceed three-fifths proportion in that category of warships. If the American delegation would accept such a temporiz-

⁸⁶ Quoted in telegram to President Coolidge, July 29, p. 138.

⁸⁷ At 9:20 p. m., a telegram from the President was received reading: "Message relative to adjournment received. Use your own discretion as to instructions. Calvin Coolidge." (File No. 500.A15 a 1/516.)

ing agreement an effort would be made during the period of grace to organize a second attempt to obtain a treaty of naval limitation. It is the British view that conferences ought to be continued persistently even though the gathering of admirals and diplomats at Geneva disbands.

[Paraphrase.] Any suggestion for a naval holiday during a provisional period should be given careful consideration before breaking up Conference. [End paraphrase.]

KELLOGG

500.A15 a 1/512 : Telegram

The Chairman of the American Delegation (Gibson) to the Secretary of State

[Paraphrase]

GENEVA, July 31, 1927—7 p.m.

[Received 9:20 p. m.⁸⁸]

139. I received a call from Ishii this morning; he informed me that he had had an interview with Bridgeman last night in an endeavor to learn whether there was not some way to find a basis of discussion so that we might proceed with our conversations. He said it was quite apparent that Bridgeman did not believe the American delegation was serious in saying that it would accept no transgression of the principle of freedom of armament and that he was confident that at the last moment some radical concession would be granted by the United States. The views expressed by the American delegation, Ishii said, he was firmly convinced were those of the American Government and that he did not believe unless I knew them to be those of my Government that I would have been presumptuous enough to state definitely that the proposals made by the British, concerning cruisers large enough to mount 8-inch guns, were totally unacceptable to the United States. I paid Bridgeman a visit after Ishii's call on me and told him that I considered that I should inform him that I was in receipt of a full confirmation from my Government of the opinion I had given him that the British proposals concerning the armament of cruisers were absolutely unacceptable to the United States. He was further informed by me that I considered it necessary to request a delay of the next plenary meeting, so that I might be fully informed as to the views of the American Government before a final session of the Conference, and I said most emphatically that should such a plenary session be held it must be looked upon as the end of the Conference at Geneva.

In reply Bridgeman said that on the contrary he considered that it would be favorable if a full statement of our opposite opinions was

⁸⁸ Telegram in four sections.

expressed, after which a final appeal to the public might be made by Cecil and that we could then have a private meeting at which a final endeavor could be made to reconcile the views of the different delegations. The American delegation, I said, was ready to accept any means of accomplishing an agreement and that it was only too willing to give all its efforts and ingenuity to this end, but if any real success was to come from such a private meeting the endeavor should be made before another plenary session was held; that it would be useless to begin negotiations all over again after we had stirred up public opinion by stating in a positive manner our divergent opinions.

The political clause proposed by us,⁸⁹ Bridgeman said, was entirely unsuited to British needs as they were of the opinion that Governments would procrastinate in assuming the rights allowed them by such a clause. If the United States would consent not to construct more than a small number of cruisers capable of carrying 8-inch guns, say two or three, besides the 10,000-ton vessels to be specified, Bridgeman said he thought some solution might be found, or, if the United States should incorporate in the treaty a statement to the effect that it was not our intention at present to construct any cruisers capable of carrying 8-inch guns besides those 10,000-ton vessels to be decided upon, but that ample notice would be given should we decide later to construct these cruisers. In reply I stated that I thought such a statement, which could only be a conjecture, would be subject to serious opposition and really had no proper place in a treaty. I said I saw no objection concerning the provision for giving advance notice and that as far as that provision alone was concerned it seemed entirely proper. (The United States would doubtless notify the other parties to a treaty of any new construction undertaken by it. See Washington treaty, part 3, section 1 (b).⁹⁰) The above was not deemed to be sufficient by Bridgeman.

The question was then raised by Admiral Jones whether the British intended, when discussing 10,000-ton cruisers, to include any craft of sufficient size to allow the mounting of effective 8-inch-gun batteries. In reply Bridgeman stated that such was his intention and that the maximum class could include even 8,000-ton vessels carrying 8-inch guns.

At this juncture, I stated that the whole question seemed to have very little relation to realities, as the only question seemed to be whether any construction we might undertake within the limits of tonnage allowed us would be of interest to the British Empire and that considering our present and past policy we were absolutely sure that this was not so. The reply made by Bridgeman, in a very dry

⁸⁹ See telegram No. 115, July 23, 2 p. m., from the chairman of the American delegation, p. 131.

⁹⁰ *Foreign Relations*, 1922, vol. I, p. 258.

manner, was that this was not the way the British look upon the matter.

I was then asked by Bridgeman if I would interview Cecil this morning and see if he had anything to suggest. Of course I consented to do so and paid Cecil a visit during which he proceeded to repeat just what Bridgeman had previously told me. I took the matter of the postponement of the plenary session up with Cecil, as I knew Bridgeman's consent to this depended upon Cecil's assent. His reply was he would have no objection to this provided I could give him some hope of agreement, but if we were asking for this delay so that we might prepare an aggressive and effective speech, he would certainly object. My reply to this was that the American delegation did not require any time for the latter purpose, as I was ready to make a full and definite statement concerning the American position should they desire the session to convene tomorrow, but that neither the Japanese nor American delegations considered this a wise course to pursue. He then stated that he could not oppose delaying the plenary session and in accordance with this an arrangement has been made to postpone it until Wednesday or Thursday. The British said that they might give preference to Thursday, in order to allow Lord Jellicoe to be present, he having been detained in London due to the death of his brother.

It was the Americans' turn, Cecil then said, to put forth some suggestion as to how the present impasse could be overcome. My reply was that I considered that a maximum proposal had been made by the Americans when they suggested the clause relieving the British of the obligations of the treaty should they decide that the American construction program of cruisers capable of mounting 8-inch guns was too offensive, and that I did not see, when this had been put aside by the British as not offering ground for discussion, how any minor suggestion would meet the situation, but that if there was any reasonable way to smooth matters out I was quite willing, as I had been from the first, to consider it.

Absolutely on his own accord, Cecil then stated that he would offer the suggestion that the situation might be overcome by our consenting to give advance notice of our intention to construct cruisers capable of mounting 8-inch guns. My reply was that I had assented to this during a conversation which Bridgeman and I had previously had. The attention of both Cecil and Bridgeman was called to the fact that the appeal which Cecil proposed to make to public opinion would be addressed to the world at large and not to the delegations at Geneva; that the United States needed no such appeal to influence it to study what it considered fair proposals and that I would not deem it wise to acquaint the public with our divergent views before attempting to come to an agreement, as such public airing of our dif-

ferences would only vex public opinion in the United States and England and make it still more difficult for us to reach an agreement. All his experience in public life, Cecil stated, however, had been that when things apparently became hopeless, the day was often saved by an appeal to public opinion. The British appear to be very averse to wrecking the Conference on this issue but they have shown no disposition to grant any concession up to this period. Cecil and Bridgeman both informed me that they were most positive concerning the restriction to a small number of maximum size cruisers capable of carrying 8-inch guns and that there could be no departure from their suggestion. Therefore, we are preparing the last American statement with the amendments suggested by you, as I cannot see how the American and British views can be reconciled.

GIBSON

500.A15 a 1/513 : Telegram

The Chairman of the American Delegation (Gibson) to the Secretary of State

[Paraphrase]

GENEVA, July 31, 1927—12 p. m.

[Received August 1—4:10 a. m.]

141. There are very insistent press reports in Geneva that Baldwin is considering going to Washington to consult with you as to what course may be followed to prevent the collapse of Naval Conference here. Should there be any truth in this report, you may think it best to postpone plenary session until after your meeting with the Prime Minister. The American delegation trusts that conversations between you and Baldwin may be means of bringing to his attention the broader aspects of the problem. Candidly, our efforts to treat problem in broad manner are restricted by Bridgeman's incapacity to see any broader scope to question. We see no prospect of slightest British concessions if matter is left entirely in his hands, as he has no patience with any views except those of a purely technical nature.

GIBSON

500.A15 a 1/513 : Telegram

The Secretary of State to the Chairman of the American Delegation (Gibson)

[Paraphrase]

WASHINGTON, August 1, 1927—7 p. m.

87. Your 141, July 31, 12 p. m. I have had no indication from either British Government or Baldwin of any desire to confer with

me on subject of the Naval Conference. I do not think that any useful purpose would be served by my going to Canada to see him, for I have no idea that he would change program adopted by British Cabinet; in any event, he would interpret this action on my part as a weakening on the part of this Government. I shall see him Sunday afternoon, of course, and after the dedication exercises at Buffalo⁹¹ shall ride with him to view Niagara Falls, and although we may naturally have a conversation on the subject I assume it will be too late to talk about anything at that time. Howard called on me this morning and was apparently without instructions to make any concessions or any further propositions. I said that Bridgeman and Cecil insisted on making speeches at plenary session not for purpose, seemingly, of arriving at any compromise but avowedly of making appeal to public opinion. I said that I thought that if British Government desired an agreement, the making of public speeches of this kind could do no good. Howard quite agreed, but did not indicate that British Government intended to do anything about it. I went over whole situation with him and said candidly that in my opinion the increase in naval construction Great Britain proposed was not a good policy; that I failed to see why any such building at this time was necessary to safeguard the British Empire. I went over again the arguments for real limitation of naval armaments as opposed to expansion.

Referring to article in the *Times* on subject of naval holiday, Howard did not indicate whether or not British Government had inspired it but he said he thought that it might offer basis on which the Governments might be able to agree.

KELLOGG

500.A15 a 1/526 : Telegram

The Chairman of the American Delegation (Gibson) to the Secretary of State

[Paraphrase]

GENEVA, August 1, 1927—11 p. m.

[Received August 2—4:46 a. m.]

147. The present situation may be summarized as follows:

1. Pursuant to your suggestions concerning my telegram No. 133, July 29,⁹² we are proceeding with preparation of the statement to be made at the plenary meeting on Thursday afternoon⁹³ and to bring the Conference to an end.

⁹¹ The ceremonial dedication of the International Peace Bridge between the United States and Canada, Aug. 7, 1927.

⁹² Not printed.

⁹³ Postponed from Monday, August 1.

2. No proposals for a few months' adjournment without a definite termination have been made and while this idea has been indirectly but clearly conveyed to the Japanese delegation they have not been responsive to it to the extent of even broaching it to us and they apparently do not wish to take any part in such a suggestion.

3. Bridgeman, I understand, paid Ishii and Saito a visit this morning during which he stated that he had no further proposals to offer and then proceeded to inquire pointedly whether the Japanese had any they wished to suggest. The impression which the Japanese delegation seemed to draw from this inquiry was that Bridgeman seemed anxious for them to propose some suggestion, possibly of a compromise nature, and consequently they have today been studying the situation to see whether they could evolve anything. Also, in an indirect manner, they have endeavored to learn just what our opinion would be regarding the submission of such proposals should the Japanese delegation succeed in discovering any to offer. The American delegation has made it plain that we would naturally welcome any proposal which would be the means of accomplishing a successful outcome, but that there could be no question of our conceding the fundamental principle which was the cause of the deadlock between the British and ourselves.

4. It will doubtless be necessary to convene a meeting of the chief delegates in order to compose an agenda for the closing meeting before having the final plenary session. It is possible on this occasion that the British or Japanese may make some suggestion that, instead of a debate and statement of the divergent positions of the different delegations, a statement be drafted setting forth the work accomplished by the Conference for which no solution could be found at the present time and the recommendation that the problems which have vexed the Conference be given study by the different Governments represented. It may further be advocated that the Conference recommend to the three powers represented that, should it not be possible to consider them at an earlier date, the limitation of auxiliary craft be discussed at the Conference to be held in 1931. (The Japanese delegation has indicated on different occasions that, should the Conference fail, they would favor some resolution concerning a discussion of auxiliary craft before or during the Conference of 1931.) Acrimonious debate would naturally be prevented by such a final act of the Conference, but it would likewise prevent our making a clear statement, such as that already drafted, concerning the American attitude. Do you desire me to support or oppose such a proposal should it be suggested and accepted by the British and Japanese? If such a proposal should be made and supported by the British and Japanese, you may wish to give consideration to the effect of rejecting it.

5. In considering the program for the final session, it is also possible that a proposal may be made that three inoffensive speeches should be made after being circulated and approved by the three delegations represented. This is not favored by me and I consider that the method of procedure indicated in point 4 is much more dignified.

Early instructions concerning this point would be greatly appreciated, as I may be asked to deal with any of the matters presented above by Wednesday morning.

GIBSON

500.A15 a 1/525 : Telegram

The Secretary of State to President Coolidge

WASHINGTON, August 3, 1927.

Following very urgent telegram received from Gibson yesterday: ⁹⁴

"No. 149. Saito and Ishii called upon us tonight and stated that they had been studying the possibilities of finding some measure of agreement which would avert complete failure; that they had worked out hastily an idea in tentative form which they would like to submit to us before submitting it to the British Delegation; that they realized it had many shortcomings but was meant merely as an indication of a general scheme for dealing with construction up to the time of the 1931 conference while avoiding the irreconcilable difference in regard to the eight inch gun. The document they submitted reads as follows:

'1. The British Empire and Japan to undertake that before December 31, 1931, they shall not lay down, except for replacement, any more auxiliary vessels besides those included in their authorized programs, it being understood that the said programs shall not be altered except in so far as is provided for in the next following article.

2. The number of cruisers of the ten thousand ton class shall not exceed twelve each for the United States and the British Empire and eight for Japan.

The British Empire shall be at liberty to utilize in such a way as she may see fit the remaining cruiser tonnage in her authorized programs.

The maximum unit tonnage of cruisers of smaller class shall be eight thousand.

3. The United States to undertake that at no period before December 31, 1931, cruiser tonnage shall exceed that of the British Empire.

The contracting parties to undertake that they shall furnish to one another information concerning such building plans and programs as may be decided upon before December 31, 1931; provided that in the event that any of the contracting parties shall consider that readjustment of the present agreement is required as a consequence of any plans or programs adopted by any of the other contracting parties a conference shall be called with a view to secure such readjustment.

4. Questions regarding auxiliary vessels not provided for in the present convention shall be settled in a later conference to be held as soon as possible and not later than the beginning of 1931.'

I stated that I wanted to assure them of our very warm appreciation of the helpful spirit which had prompted them to seek a solution; that we were sincerely desirous of some reasonable agree-

⁹⁴ Sent Aug. 1, midnight, received Aug. 2, 4:18 a. m.

ment and that we shared their view that it would be deplorable if the only result of the President's invitation should be (as a result of disagreement over a technical problem) a renewal of competitive building and they could be sure that their proposal would be examined in the most sympathetic spirit.

Admiral Jones raised a number of questions as to points in the proposal and said that we should, of course, have to study it very carefully before we were in a position to discuss it intelligently. We suggested that we should call on them tomorrow morning for further discussion.

Further comments on this proposal in the morning."

The following is a paraphrase of the delegation's comments on the Japanese idea outlined above:⁹⁵

"I think you understand that this proposal is based on the idea that Great Britain and Japan should not undertake to construct any cruisers, other than those authorized at present, before the end of 1931 and during this time should the United States desire she will be able to bring her cruiser strength up to the British strength. Of course, the word 'authorized' should be defined most carefully and should, it is our opinion, include only those vessels under construction and for which appropriations have been made, which would give, according to their figures, a British tonnage in cruisers of approximately 378,000 tons. We are also of the opinion that the proposal would be more acceptable if the authorized programs were expressed in total tonnage figures not to be exceeded before 1931 by either the United States or Great Britain.

As the Japanese themselves were the first to state, the draft submitted by them is only a rough outline and would need many alterations, additions and amendments.

Concerning paragraph four, we are of the opinion that it might be well at least to give consideration to the question of whether an agreement could not also be concluded now concerning destroyers and submarines so that we might have a better basis on which to work out and consolidate the limitation of auxiliary craft in 1931.

We find it difficult to understand how the Japanese suggestions could prove acceptable to the British even as a basis for discussion since this would necessitate surrender by the latter in regard to the question of eight inch guns and such a surrender would be mitigated only by the fact that the agreement would contain no mention of such guns. Therefore, even though as far as we are concerned certain points of the proposal would have to be modified, we believe that the responsibility for rejecting it, if this is done, should rest with the delegates of Great Britain, and if the latter are in reality ready to avail themselves of the suggestion of the Japanese delegates to meet our position, we ought not ourselves assume the responsibility for rejecting the initiative taken by the Japanese. Such rejection on our part might lend itself to the interpretation as a declaration that it is only upon our own terms that we are prepared to negotiate.

I saw Saito this morning with Admiral Jones and informed him that since the exchange of views last night between the American

⁹⁵ Telegram No. 150, Aug. 2, 1 p. m.

and Japanese technical advisers it appeared that the results of such a scheme would have to be carefully studied and elaborated in greater detail before it would be possible to estimate whether it would bring about a naval holiday in reality. We suggested that Saito should communicate his idea to Bridgeman in view of the short time remaining to us. This morning he is seeing Bridgeman for this purpose."

I replied yesterday, after consultation with the Navy, as follows:⁹⁶

"Should a proposal such as that contained in your telegram No. 149 be put forward, it ought to be given very thoughtful consideration. Lacking more particulars it is not possible to judge of it here. Surely, we would be unable to concur in the proposal that the British Empire should build up to the program which it has authorized, which would bring its total tonnage up to approximately 465,000 tons, nor is it our understanding that America's laying the keels of 10,000 ton cruisers would be considered to prevent us from bringing our Navy to an equality with Great Britain in 9,800 ton ships or other classes of cruisers. Naturally, it would be far wiser to permit Great Britain to turn down this proposal than for us to do so."

FRANK B. KELLOGG

500.A15 a 1/531 : Telegram

The Secretary of State to President Coolidge

WASHINGTON, August 3, 1927.

We received a telegram yesterday afternoon reading in part as follows:

[Here follows a paraphrase of paragraphs 4 and 5 of telegram No. 147, August 1, 11 p. m., from the chairman of the American delegation, printed on page 146.]

It was important to answer at once so after consultation with the Navy we wired as follows:⁹⁷

"If the Japanese or British delegations should make a suggestion such as that contained in paragraph four of the foregoing telegram that the conference might end without any prolonged and detailed speeches but merely with a statement issued on the part of the conference and concurred in by all three of the delegations and put out by the Secretary General of the conference which should recommend that the whole question be considered in 1931 I think that such a proposition ought to be given your support. I agree also with the ideas you set forth on the subject contained in paragraph five."

I received another message in which the delegation stated that:⁹⁸

"If Japanese initiative is rejected by the British or fails for other reasons our delegates are prepared to go ahead with their speeches. However, our delegations recommended a substitute for Japanese pro-

⁹⁶ The quotation is a paraphrase of telegram No. 91, Aug. 2, 8 p. m.

⁹⁷ Telegram No. 90, Aug. 2, 6 p. m.; paraphrased.

⁹⁸ Telegram No. 152, Aug. 2, 4 p. m.; paraphrased.

posal in paragraph four and five of this telegram, which the delegation feels would be approved by public opinion and leave an opportunity open for future negotiations. This would require an authorization to go to see the British delegation and that of Japan and show them that public discussion on the differences of opinion could only bring about ill feeling and make matters complicated in the future. Likewise that the course of broad-mindedness and common sense would be to issue a joint statement stating that we had come to an impasse on technical matters but that as all three countries are united in a desire to arrive at an agreement we are not willing that any mere interchange of points of view should be taken as final. That on this account we are agreed that the only possibility now open is to issue a joint public statement that we have been unable to reach agreement with respect to the question of cruisers. That on that account we agree to adjournment in an effort to give a chance for negotiations directly between governments in the hope that united efforts and common devotion to the cause of naval limitation will lead in the end to the type of reasonable understanding which could alone be considered worthy of three great nations on friendly terms.

We think that a statement of this nature read at the public meeting by the Chairman of the conference would be altogether dignified and would have the tendency to sound a more reasonable note between the governments and might bring about a calming down of the recriminations which at present or in the near future make the carrying on of negotiations extremely difficult if not impossible.

As there is only a very short time now before the plenary session we hope that you can give us a decision very shortly on this subject."

In view of the shortness of the time I have sent the following telegram as they had to have the answer this morning. I consulted with the Secretary of the Navy and answered as follows:⁹⁹

"Your 152, August 2, 4 p. m., has just arrived very late this afternoon with many portions considerably garbled. However I believe I fully understand your suggestions.

1. Should the Japanese proposal for a compromise be turned down by the delegation of the British Empire or should it fail for any other reason you have stated that you are ready to proceed with your public statement in accordance with my instructions. I approve of this course. Should, however, a public plenary session be held and the British state their views naturally we must follow the same course.

2. Your calling in the delegations of Great Britain and Japan to suggest to them a joint statement of the fact that you are unable to arrive at an agreement and that on that account you are in accord that an adjournment should be taken in order to give a chance for negotiation directly between the interested governments appears to us to be statesmanlike. Both the Secretary of the Navy and I give our approval to the idea."

Neither one of these propositions contemplates an adjournment for a few months but practically an ending of the conference with a reference of their work to the 1931 conference, thus leaving it open

⁹⁹ Telegram No. 92, Aug. 2, 10 p. m.; paraphrased.

for diplomatic negotiations if possible. We have, as you know, desired to avoid recriminations but, of course, if the British insist on making speeches we will do the same. To make a treaty recognizing a large building program on the part of Great Britain of course is inadvisable. I am in hopes that this may be avoided.

Just been notified by the British Ambassador that British Government insists on speeches being made. This probably ends any attempt.

FRANK B. KELLOGG

500.A15 a 1/539b : Telegram

The Secretary of State to the Chairman of the American Delegation (Gibson)

[Paraphrase]

WASHINGTON, August 3, 1927—2 p. m.

95. This morning the Democratic leader in the Senate (Robinson) called on me. I discussed with him the entire situation at Geneva. Thoroughly approving our course, he says he will support it. If speeches are made, he said we should state our position fully and frankly.

KELLOGG

500.A15 a 1/535 : Telegram

*The Chairman of the American Delegation (Gibson) to the Secretary of State*¹

GENEVA, August 4, 1927—2 a. m.

[Received 3 a. m.]

155. Your No. 92, August 2, 10 p. m.^{1a} British and Japanese delegates were unable to meet us until this evening because of other arrangements and Bridgeman's lack of instructions in regard to Japanese suggestion.

We first took up Japanese suggestion and, in answer to question as to what was meant by "authorized programs," Bridgeman confirmed our view that this would call for approximately 458,000 tons of cruisers by 1931; that their understanding was that this would involve their stopping on completion of present construction of 10,000-ton cruisers but utilizing other available tonnage for other cruisers so that this was merely a substitution of programs and not in any sense a reduction of tonnage. I was obliged to say this did not seem to offer any real limitation and after I had thanked the Japanese delegation for their friendly effort to find a basis of agreement Viscount Ishii stated that

¹ Although this telegram was despatched on August 4 at 2 a. m., it was apparently drafted late in the evening of August 3.

^{1a} See footnote 99, p. 151.

the idea outlined by the Japanese delegation would not be put forward in the form of a proposal.

I then asked Bridgeman and Ishii if they had any further proposals to bring forward. They replied in the negative.

I then raised the subject of tomorrow's meeting and outlined very fully the desirability of making a joint statement rather than separate and controversial statements. I went so far as to read them large part of my 152, August 2, 4 p. m., and last part of your 92, August 2, 10 p. m.² Bridgeman and Cecil were unwilling to discuss any abandonment of their present plan and stated that they had the most categorical instructions from the Cabinet which had been fully confirmed in a telegram received this evening, that they must make a statement setting forth their point of view and justifying their position. I went as far as [I] could in insistence, urging the possibility of Bridgeman's telephoning to London to indicate that a preferable method had been suggested and asking authority to refrain from making his statement but he was unwilling to do this. In view of their obvious determination to make their prepared statement we felt that it was futile to make any further efforts. We then took up the question of procedure for tomorrow's meeting. It was agreed:

1. That I should make a brief introductory statement to be approved by the other delegations stating the progress made thus far, adding that we had reached the end of our labors, and indicating the important points with regard to which we had reached disagreement.

2. That statements should then be made by Bridgeman, Saito, and myself and in that order.

3. That there should be no debate after the statements.

4. That a joint declaration should then be read and approved by the Conference recognizing the deadlock which made it wise to adjourn the present Conference with a frank statement of divergent views and also stating that these views would be submitted to the respective Governments with the recommendation that they be carefully studied in the hope that consultation may lead to an eventual agreement.

The text of this declaration now being prepared and will be telegraphed shortly.

GIBSON

500.A15 a 1/540 : Telegram

The Secretary of State to President Coolidge

WASHINGTON, August 4, 1927.

At the conclusion of the Plenary Session, Gibson read the following declaration, text of which had been approved by all three delegations:

² See footnotes 98 and 99, pp. 150 and 151.

"1. In pursuance of the suggestion of the President of the United States, the plenipotentiary delegates of the President of the United States, His Britannic Majesty, and of His Majesty the Emperor of Japan, met at Geneva on June 20 to discuss the limitation of auxiliary naval craft.

2. Meetings have been held from that date until the 4 of August, during which period the delegates and their advisers have considered in detail various methods of effecting this object. On many important questions provisional agreements have been reached, certain of which are embodied in the annexed report of the technical committee of the conference. These points of agreement relate particularly to the limitation of destroyers and submarines, and it was only when the conference took up the question of the limitation of cruiser class that difficulties were encountered. These difficulties proved to be of a character to render it desirable to adjourn the present negotiations until respective governments have had an opportunity to give further consideration to the problem and to the various methods which have been suggested for its solution.

3. The American delegates presented the view that within total tonnage limitations, [which they] initially suggested should be between 250,000 and 300,000 tons in the cruiser class for the United States and the British Empire and between 150,000 and 180,000 tons for Japan, each of the powers should have liberty to build the number and the type of vessel which they might consider best suited to their respective national needs, with freedom, subject to limitation of the Washington Treaty, to arm these vessels as they saw fit.

4. The British delegates, whilst putting proposals tending to a limitation of the size of vessels of all classes, have opposed the principle of limitation by total tonnage alone on the ground that the largest [*larger*] ship and the heaviest gun permissible must inevitably become the standard. They desired first a strict limitation of the number of 10,000 [-ton] 8 inch gun cruisers, and secondly the establishment of a secondary type of cruiser of a maximum [displacement of 6,000 tons, carrying guns of a maximum] calibre of 6 inches. The British delegates contended that the establishment of this type [would] alone enable the British Empire, within a moderate figure of total tonnage, to attain the numbers which it regards as indispensable to meet its special circumstances and its special needs.

5. The Japanese delegates presented the view that low total tonnage levels should be fixed which would effect a real limitation of auxiliary naval vessels. As for the question of the 8 inch gun cruisers, while the Japanese Government could not agree to any restriction as a matter of principle, they had no difficulty in declaring that, provided a tonnage level of 315,000 tons for auxiliary surface vessels were fixed for Japan they would not build any further 8 inch gun cruisers until 1936, except those already authorized in existing programs.

6. Various methods were considered of reconciling the divergent views indicated above but, while material progress has been made and the points of divergence reduced, no mutually acceptable plan has been found to reconcile the claim of the British delegates for numbers of vessels, for the most part armed with 6 inch guns, with the desire of the American delegates for the lowest possible total tonnage limi-

tation with freedom of armament within such limitation, subject to the restriction as to armament already set by the Washington Treaty.

7. Faced with this difficulty, the delegates have deemed it wise to adjourn the present conference with this frank statement of their respective views, and to submit the problem for the further consideration of their governments, in the hope that consultation between them may lead to an early solution.

8. Further, the delegates agree to recommend to their respective governments the desirability of arranging between the signatories of the Washington Treaty that the conference to be called pursuant to paragraph 2 of Article 4 [21] of that Treaty should be held earlier than August 1931, the date contemplated under the terms of that instrument, in order that any decision reached by such a conference may come into force before the capital ship construction program commences, namely in November of that year.

9. In making these recommendations and in submitting this statement of the points of agreement as well as of the points on which agreement has not yet been achieved, the delegates desire to place on record a statement of their conviction that the obstacles that have been encountered should not be accepted as terminating the effort to bring about a further limitation of naval armament. On the contrary, they trust that the measure of agreement which has been reached, as well as the work which has been done in clarifying their respective positions, will make it possible after consultation between the governments to find a basis for reconciling divergent views and lead to the early conclusion of an agreement for the limitation of auxiliary naval vessels which will permit of substantial economy and, while safeguarding national security, promote the feeling of mutual confidence and good understanding."

FRANK B. KELLOGG

500.A15 a 1/545a : Telegram

The Secretary of State to President Coolidge

WASHINGTON, August 4, 1927.

I gave the following statement to the Press this morning concerning the final session of the Conference:

"I regret of course that the Geneva Conference did not succeed in making an agreement for limitation of naval armament. The Conference was suggested by the President in the hope that he could accomplish a real reduction in building programs. He also believed if the three great naval powers could succeed in such limitation it would prevent competitive building, lift enormous burdens from the countries involved, and be a great moral example to the world. We believed that there was no condition today which could threaten the security of the powers interested or justify increased building programs. It was found impossible to get an agreement either to reduce naval armament or to limit it within what we considered reasonable bounds. What was sought was to extend the principles of the Washington treaty to other naval auxiliary craft. This was found impossible without

greatly enhancing a cruiser building program, which we thought neither necessary nor wise. I do not think the United States can afford to give its moral approval to such an expansion with all it implies. We proposed as a maximum 300,000 tons of cruisers and were not prepared to increase this by 126,000 tons and probably more in order to make a treaty. Pursuant to the Washington treaty, the United States made drastic cuts in its capital ship program and scrapped the largest capital ship navy in the world. It made greater sacrifices than any other country; in fact it scrapped 780,000 tons of capital ships. It had every reason to believe that the British government was prepared to carry out a real reduction and our delegates labored earnestly and conscientiously along these lines. Japan was anxious to go even lower than the maximum set by the United States. I do not believe, however, that the general discussions which have taken place at Geneva will be fruitless and I am certain that the failure at this time to enter into an agreement will not impair the cordial relations existing between the British Government and the United States. I do not consider the failure to make an agreement now as final; and I am confident that the work done at Geneva will make it possible after consultation between the governments to find a basis for reconciling the divergent views and lead to the early conclusion of an agreement for the limitation of auxiliary naval vessels."

FRANK B. KELLOGG

500.A15 a 1/555

Memorandum by the Secretary of State

[WASHINGTON,] August 5, 1927.

The Japanese Ambassador called on me today and wished to know if I had any news from Geneva of which I wished to inform him. I told him that we were very much pleased with the attitude of the Japanese Delegation and congratulated them on their work there. That there had been no trouble to agree with Japan but that we could not agree to such an enlarged building program as the British government wanted. That the lowest proposition they made would permit them to build at least 426,000 tons of cruisers and even more if they did not build up to what they wished in submarines and destroyers. They said they wanted 90,000 tons of submarines and 221,000 tons of destroyers. This would leave 426,000 tons for cruisers and even more if they should not build up in the other two classes. We could not agree to any such program. We thought the maximum proposed by us of 300,000 tons was adequate. We could not understand that there was any danger to British commerce or foreign possessions, since the only navies in the world amounting to anything were the Japanese, the British and the United States. That if they had accepted 300,000 tons and allowed us to build the same number of 10,000 ton cruisers and 9,800 ton cruisers as Great Britain had, with the cruisers we had already there would only be 60,000 tons to

build and there probably would not have been any trouble to agree on what size they should be. He said his government was very anxious not to have a big building program and wanted to know if we would have a big one. I told him I had no expectation of it, but of course I could not tell. He said he had seen in the papers that the President was going to call another conference. I told him I had seen the President's press statement this morning which stated that he had no expectation of calling another conference before 1929, and as he would go out of office in March, 1929, there seemed to be little possibility of it, but said I did not wish to make any statement that would bar him if he should wish to do so. I told the Ambassador that I had no intimation from the President that he wished to do so. I asked him if the Japanese Delegation was coming back this way and he said that he hoped they would but he was not sure. This was about the substance of what he said.

[FRANK B. KELLOGG]

500.A15 a 1/573a

The Secretary of State to President Coolidge

WASHINGTON, August 10, 1927.

MY DEAR MR. PRESIDENT: I suppose with the telegrams that we received from Geneva and instructions we gave, together with the report which the Secretary of the Navy made to you, you are well informed on what took place at Geneva and the reason for the failure of the Conference. While the British Government assured Mr. Houghton they were perfectly willing for the United States to have parity on all classes of ships, Bridgeman did not make this offer in Geneva at all until he was instructed by London and even in that case I am assured by one of the press men who was present that when he was asked the question as to whether Great Britain was willing to make a treaty for parity in ships other than the 10,000 ton class, he said "Well, we would have to consider that". Undoubtedly he went there intending not to grant it and every proposition there made was intended to deprive the United States of an equal, effective navy. . . . It became more and more evident that the only possible way to have a treaty with Great Britain on this subject was to agree to a total tonnage beyond all reason and one which would not be a limitation but an expansion. Furthermore, the Navy insists that we do not want small cruisers and to agree to build them would give the British a superiority owing to her naval bases and make it impossible for us to have as effective a navy as Great Britain. The lowest possible limit which Great Britain proposed was 426,000 tons of cruisers which might be increased by building fewer destroyers and submarines. In

other words, they proposed the global or total tonnage system which they had opposed strenuously at the Preliminary Conference. This would give them the right to build cruisers in tonnage not built in the other classes. Of course, the *New York World* and the *Times* have frequently suggested that there should have been diplomatic correspondence preceding the Conference so that each country would have known exactly what the other country was willing to agree to. If that could have been done, no Conference would have been necessary. Of course, there is no ground for this except the statements of the *Times* and the *World* and Vice President Dawes' speech.³ . . . The most careful preparations were made, as you know. The British Government was sounded out and a letter from Jones states that the British went back on everything they had agreed to with him in London.⁴ We had every assurance from the British Government that they desired an agreement on equal terms with the United States and any such tonnage as they proposed was far beyond any suggestions they had ever made and beyond the tentative understanding made at the Washington Conference.

Of course, I did everything in my power to make some agreement but I could not recommend an agreement that did not give us parity in fact as well as in principle or that would provide for an enormous expansion in cruiser building. Any such tonnage as was demanded by the British Government was absolutely uncalled for and unnecessary. We demonstrated to them that there was not over two hundred thousand tons of cruisers in all the rest of the world outside the United States and Japan; that there could be no possible threat to the British Government, her commerce or her possessions. Either the British Navy has gone mad or Great Britain has felt compelled to continue ship building to furnish employment. Perhaps both had something to do with it. I, of course, regret the outcome but I do not see how we could have prevented it. Personally I think it would have been perfectly simple to have entered into an agreement for a building program prior to 1931 on the following bases: that Great Britain should not build any additional ships beyond those already laid down; that the United States would not build more 10,000 ton ships than Great Britain has built or is building. This, of course, to include the 9800 ton ships, four of which Great Britain has. This is all we could build or could reasonably expect to build between now and 1931 but if we did desire to build more than this, we should build the smaller size cruisers. As near as I can find out from the Navy, they do not think there is any possibility of our building more before that time. Great Britain did not agree to this. Apparently she did not intend to

³ At Buffalo, N. Y., on the occasion of the dedication of the International Peace Bridge, Aug. 7, 1927.

⁴ Letter not found in Department files.

agree to anything. It is evident that British opinion is not unanimous on this subject. I enclose you an article published by a man by the name of Bywater who I understand is an authority in Great Britain on naval affairs.⁵ I cannot say that this represents a majority of British opinion. I do not think it does. I think the majority of the British opinion is that Great Britain ought to have supremacy on the sea. I do not know what effect this is going to have on our building program before the Congress but I think there is a pretty strong feeling that we should extend our building program.

Faithfully yours,

FRANK B. KELLOGG

**PARTICIPATION OF THE UNITED STATES IN THE WORK OF THE
THIRD AND FOURTH SESSIONS OF THE PREPARATORY COMMISSION
FOR THE DISARMAMENT CONFERENCE***

500.A15 b/39

*The Secretary of the American Representation on the Preparatory
Commission (Marriner) to the Secretary of State*

No. 190

BERNE, December 9, 1926.

[Received December 23.]

SIR: I have the honor to refer to the second paragraph of the Department's telegram No. 79, of December 4, 1 p. m.,⁷ relating to the submission of a written communication to the Secretariat of the League commenting on the report of the Joint Commission.⁸ It had not been my intention to submit any communication in writing without specific instructions from the Department and I had intended to embody my suggestions on this subject in the general report on the work of this session of Subcommittee "B". However, as the pressure of work for translators in the Secretariat has been very great due to the meeting of the Council, the Legation has not yet received the documents incident to the session in question. Therefore, inasmuch as any communications to be submitted should be in the possession of the Secretariat by December 31st, I have decided not to await the receipt

⁵ Hector Charles Bywater, naval correspondent for the English *Daily News* and *Observer*, and European naval correspondent for the *Baltimore Sun*; enclosure not printed.

⁶ For correspondence concerning the first and second sessions, see *Foreign Relations*, 1926, vol. 1, pp. 40 ff. For proceedings of the third and fourth sessions and related documents, see League of Nations, *Documents of the Preparatory Commission for the Disarmament Conference entrusted with the Preparation for the Conference for the Reduction and Limitation of Armaments*, Series IV (C.310.M.109.1927.IX) and Series V (C.667.M.225.1927.IX).

⁷ Not printed.

⁸ The report of the Joint Commission is printed in League of Nations, *Preparatory Commission for the Disarmament Conference: Sub-Commission B*, Report No. 1 (C. P. D. 29), p. 4.

of the procès-verbaux and copies of the report before submitting my suggestions on this particular subject.

As stated in the first paragraph of my telegram No. 159, November 29, 6 p. m.,⁹ the preamble of the report of Subcommittee "B" reserves "for all the governments represented on it the right to make any observations that they may think fit, either in documents to be submitted before December 31st for distribution to the Preparatory Commission, or orally in the course of the discussions which will take place in the Preparatory Commission on the questions dealt with in the report". The position of the American Delegation was made especially clear by the inclusion in the same section of the report of the following sentence:

"In particular, the United States Delegation, having had no connection with the work of the Joint Commission and hence no opportunity to express its views, desires to make it clear that the views of the United States Delegation on each of the questions referred to Subcommittee 'B' are those set forth by it on each of these questions in the report of Subcommittee 'A'."¹⁰

Therefore, since the relation of the American Government to the report of the Joint Commission is made clear, and since all rights for either oral or written comment in the future are reserved, it does not seem to me that there is any necessity of submitting written comment on the subject matter of the Joint Commission report before December 31st. However, in the event that the Department should desire to make any observations in writing at this time and to amplify in any such document the statements of the American Delegation already contained in the report of Subcommittee "B", I am giving below, for the Department's convenience, and as a possible basis for such a communication, specific references to the position of the American Delegation as set forth in the report of Subcommittee "A" on each of the questions dealt with in the report of the Joint Commission.

With reference to Sections I and II of the Joint Commission report, "with regard to the Proposal submitted by the Belgian Delegate to the Preparatory Commission" relating to the insertion in any possible convention of provisions similar to those contained in the Statute of the International Labor Office (Articles 411-420 of the Treaty of Versailles), the point of view of the American Delegation is contained in a text submitted by the delegations of Chile, Italy, Japan and the United States on page 8 of document C. P. D. C. A. 170 (f), and in a declaration by the delegations of

⁹ Not printed.

¹⁰ The report of Subcommittee A is printed in League of Nations, *Preparatory Commission for the Disarmament Conference: Report of Sub-Commission A (Military, Naval and Air)* (C.739.M.278.1926.IX.—C.P.D.28).

the British Empire, Chile, United States, Italy, Japan and Sweden on the same subject on page 16 of the same document.¹¹

In connection with Section III of the Joint Commission report "with regard to the proposal submitted by the Delegate of the British Empire to the Preparatory Commission" concerning poison gases, the position of the American Delegation is contained in document C. P. D. C. A. 170 (*d*) of the report on the same subject by Subcommittee "A".¹²

With reference to Section IV of the Joint Commission report "with regard to the Note relating to the Preparatory Commission's Commentary on Questions II (*b*) and III", which deals with the question of military expenditure, the position of the American Delegation has been set forth in the statement of the delegations of the Argentine, Germany, Japan, the Netherlands and the United States of America on page 49 of document C. P. D. C. A. 170 (*i*) and in the declaration of the delegations of Germany, the Argentine, Japan, the Netherlands, Sweden and the United States of America on page 97 of the same document.¹³

With reference to Section V of the report of the Joint Commission "with regard to the Preparatory Commission's Commentary on Question V (*a*)", concerning the principle on which it is possible to draw up a scale of armaments taking into account certain specified factors, the American Delegation's position is contained in documents C. P. D. C. A. 170 (*b*)¹⁴ and C. P. D. C. A. 73 (*b*) page 3.

With reference to Section VI of the Joint Commission report "with regard to Question I (*a*)" on the influence of the material resources of a country on its war strength, the point of view of the American Delegation is to be found in the text submitted by the delegations of the British Empire, Bulgaria, Finland, Germany, the Netherlands, Spain, Sweden and the United States of America on page 2 of document C. P. D. C. A. 170 and in the explanatory statement of the Delegation of the United States on pages 9 to 14, inclusive, of the same document.¹⁵

In connection with Section VIII of the Joint Commission report "with regard to Question VII" on the subject of regional self-sufficiency, the attitude of the American Delegation has been set forth in a statement of the Delegation of the United States on page 8 of document C. P. D. C. A. 170 (*c*).¹⁶

¹¹ Report of Sub-Commission A, pp. 165 and 167.

¹² *Ibid.*, p. 172.

¹³ *Ibid.*, pp. 124 and 139.

¹⁴ *Ibid.*, p. 144.

¹⁵ *Ibid.*, pp. 11 and 19.

¹⁶ *Ibid.*, p. 160.

Should the Department desire to submit any written communication containing comment on the report of the Joint Commission, it will be necessary that I be so informed by telegraph in order that the document may reach the Secretariat before December 31st.

I have [etc.]

J. THEODORE MARRINER

500.A15 b/39 : Telegram

The Secretary of State to the Secretary of the American Representation on the Preparatory Commission (Marriner)

WASHINGTON, December 29, 1926—6 p. m.

85. Your despatch No. 190, December 9, and your telegrams Nos. 159 and 160, November 29 and December 1, 1926,¹⁷ regarding Sub-committee B and Joint Commission report. Please address immediately to the Secretariat a letter in the following general terms, with the request that it be circulated to the governments concerned:

Refer to the decision of Sub-committee B of the Preparatory Commission for the Disarmament Conference providing for the submission in writing before December 31 of the views of the governments on the Joint Commission Report. State that your government has received copies of the Joint Commission report only within the past few days, and has not yet had sufficient time to study it and make, before December 31, a detailed statement of its views thereon, as it will desire to do. Therefore, your Government hopes that when its views have been transmitted to the Secretariat, which it hopes will be within a month, the Secretariat will cause these views to be circulated to the various governments. Pending the above-mentioned submission of its detailed views on the Joint Commission report, your Government wishes to draw attention to the statement in regard to the American position appearing in the preamble to the report of Sub-committee B (page 2 your despatch No. 190),¹⁸ and to add that, while this statement refers to the American position in regard to those questions considered both by Sub-committee A and the Joint Commission, there were certain questions before the Joint Commission which were not before Sub-committee A. With respect to these latter questions your Government wishes you to make it abundantly clear that it does not accept the conclusions of the Joint Commission's report, and that in its forthcoming commentary concerning the Joint Commission's report, it will set forth its detailed views as to the whole of the report in question.

Department will endeavor to forward by pouch, to reach you not later than the end of January, statement in question.

KELLOGG

¹⁷ Telegrams not printed.

¹⁸ Third paragraph of despatch No. 190, printed *supra*.

500.A15 P 43/115b

The Secretary of State to the Chairman of the Committee on Foreign Affairs of the House of Representatives (Porter)

WASHINGTON, January 11, 1927.

MY DEAR MR. PORTER: I learn that certain Members of Congress feel some misgiving as to the desirability of appropriating funds for our further participation in the work of the Preparatory Commission on the Limitation and Reduction of Armaments, which was recommended in the President's message of January 7.¹⁹ These misgivings appear to be based on the feeling that the Preparatory Commission has achieved nothing in the way of the limitation and reduction of armaments. It is clear that this is due to a misapprehension as to the task of the Preparatory Commission and it seems to me that I can not do better than to outline briefly for your information the purpose of the Preparatory Commission and the work thus far performed by it.

In the first place, the Preparatory Commission was not convened for the purpose of concluding agreements for the reduction and limitation of armaments. It was felt that if the representatives of all governments met in a conference to seek a solution of the complicated problems of disarmament on land, sea, and in the air, and conclude definite agreements for the limitation and reduction of armaments it would prove to be a hopeless task and no definite results could be achieved. It was therefore considered desirable to convene the representatives of a limited number of states to conduct a preliminary survey of the general problems involved and to draw up, if possible, an agenda which could serve as the basis of discussion of a final conference. The American Government felt that it could not fail to give its full cooperation to any effort of this sort, particularly in view of the fact that it has at all times earnestly advocated practical measures looking to the effective reduction and limitation of armaments, and accordingly a full and well equipped delegation was sent to Geneva with instructions to cooperate in the most generous and friendly spirit.

You are doubtless familiar with the questions which were submitted for the study of the Preparatory Commission and I need not, therefore, go into them in detail. However, a copy of the Questionnaire is transmitted herewith for your convenience in reference.²⁰ It cannot be justly said that there has been no progress although it is as yet too soon to prophesy with any certainty as to how far definite achievement will prove practicable, but it is the view of this Government that so long as there is any hope of attaining definite results

¹⁹ S. Doc. 192, 69th Cong., 2d sess.; also *Congressional Record*, vol. 68, p.1201.

²⁰ Not printed, but see memorandum incorporating the questionnaire, transmitted to the Chargé in Switzerland, Apr. 29, 1926, *Foreign Relations*, 1926, vol. 1, p. 89.

it would be inconsistent with our traditional policy for us to withhold our full cooperation.

When the Preparatory Commission met there were many divergent views expressed as to what constituted practical solutions for the various problems set forth in the Questionnaire. These problems were referred to various technical subcommittees which, after discussing them during several months, succeeded in eliminating a number of conflicting views and narrowed the field to two principal schools of thought.

One school of thought, which is representative of the views of a group of governments chiefly situated within a limited area of the European Continent, may be generally indicated by five of its fundamental principles:

- (1) That security must be guaranteed by some form of military assistance against aggression as a necessary condition precedent to the reduction and limitation of armaments;

- (2) That agreements for the reduction and limitation of armaments must be guaranteed by an international inspection and control of the military establishments to ascertain whether treaty obligations were being faithfully executed.

- (3) That there exists a complete interdependence of armaments and that it is impossible to deal with any single category (land, sea, or air) without simultaneously dealing with the others;

- (4) That it is not sufficient to deal with the actual peace-time armaments of nations but that industrial, financial, economic, and other factors must be taken into account in any general scheme that may be drawn up;

- (5) That any agreements on the limitation and reduction of armaments in order to be effective must be universal and that there must be a single standard system applicable to all countries of the world.

This scheme appears to us to involve so many complicated and difficult factors that its adoption would retard rather than forward the limitation and reduction of armaments. Consequently at the beginning of the Conference the American Delegation presented certain principles for consideration which may be briefly stated as follows:

- (1) That there should be a direct approach to the question of limitation and reduction of armaments without awaiting complicated measures for providing security, in the belief that the cause of security will be promoted through the reduction and limitation of armaments and the elimination of suspicion and ill-will which can be expected to follow;

- (2) That in order to be really effective agreements for the reduction and limitation of armaments must be founded upon a respect for treaty obligations and a belief in the good faith of the contracting parties. It is our belief that any agreements founded upon distrust and providing for a machinery of inspection and control will not only fail to achieve its purpose but will create new elements of suspicion and ill-will;

(3) We believe that insistence upon a joint consideration of land, sea, and air armaments will tend to render needlessly complicated the task of a final conference and will tend to render more difficult achievement in regard to the limitation and reduction of any single category of armament. For that reason we feel that ultimate success lies along the line of isolating from the general problem as many concrete questions as possible and dealing with them in a direct and practical manner;

(4) We feel that the only practical approach to the question of the limitation and reduction of armaments is through dealing with visible armaments at peace strength. We feel that this is a relatively simple problem where we are dealing with known quantities and where, through the exercise of patience and good will, we can hope for constructive achievement. We feel, on the other hand, that any scheme involving the complicated and variable industrial, financial and economic factors would tend to inject a needless complication into the problem and render more difficult any hope of real achievement;

(5) It is our view that there is no possibility of devising a system for the limitation and reduction of armaments which could be made either applicable or acceptable to all countries of the world and that any attempt to reach such a solution would merely mean an indefinite postponement of achievement. We feel that land and air armaments constitute an essentially regional problem and that different solutions can best meet the needs of different regions; that naval armament can best be dealt with through direct agreement among a limited number of naval powers.

I may state, for your information, that when we entered the Preparatory Conference in May, 1926, we had no previous arrangements or understandings with any government. Our representatives stated our views at the opening meeting and we feel that the six months discussion which followed have only served to confirm the soundness of the stand taken by our representatives. This is further confirmed by the fact that from a position of almost complete isolation at the beginning of the conference our thesis has so far commended itself to other delegations that before the recent adjournment in November almost half of the conference voluntarily came to support our views without any changes, concessions, or abandonment of principle on our part.

It seems to me that it has been a distinct step in advance to eliminate many divergent views and narrow the field down to a choice between two schools of thought. This work has been carried as far as it could be by the technical representatives who conducted most of the discussions at the first meeting. At the meeting in March the entire problem will be taken up by our political representatives, whose essential duty is, so far as possible, to conciliate the conflicting views which I have set forth for your information and to prepare an agenda for a general conference. I may say that we believe that such conciliation

is possible in that we feel that some features of the other thesis while not acceptable to us may be entirely applicable to the special needs of other countries. Our thesis is tolerant in that it seeks to understand the problems and requirements of other countries and other regions, and we believe it is best calculated to lead to direct and practical achievement.

My purpose in outlining these two schools of thought is to bring out the necessity for the sort of preliminary work that is being done by the Preparatory Commission and the hopelessness of trying to call a general world conference to conclude treaties until we have reached some measure of agreement as to the problems to be discussed. Until such agreement is reached, it would be impossible even to draw up a programme for a conference and, accordingly, the Preparatory Commission will have achieved a full measure of success if it is able to present a definite agenda acceptable to all governments. I feel very strongly that in view of our consistent advocacy of the limitation and reduction of armaments we can not withhold our full and cordial cooperation in any effort of this sort to explore the subject and facilitate a practical approach to the problem. Furthermore, I desire to point out, for your consideration, that if after participation in the work of the Preparatory Commission during the six months we now withdraw for lack of necessary funds, it would not be surprising if the inference were drawn in some quarters that we were not sincere in our advocacy of the limitation and reduction of armaments.

I am [etc.]

KELLOGG

500.A15 b/39

The Secretary of State to the Secretary of the American Representation on the Preparatory Commission (Marriner)

No. 8

WASHINGTON, February 10, 1927.

SIR: Reference is made to the Department's telegram AmMission No. 85, of December 29, 1926, and to the letter, dated December 30, 1926, which you addressed to the Secretary General of the League of Nations pursuant thereto.²¹

There is transmitted herewith a memorandum containing observations on the Report of the Joint Commission, and you will forward this to the Secretary General of the League with the request that it be circulated to the governments represented on the Preparatory Commission.

I am [etc.]

FRANK B. KELLOGG

²¹ Letter not printed.

[Enclosure]

*Memorandum Containing American Observations on the Report of the Joint Commission*²²

The Report of the Joint Commission represents, of course, merely the views of a group of individuals as to the economic effect of the reduction and limitation of armament and conversely as to the influence of certain economic and financial factors upon the problem of reduction and limitation of armament. The views of the individuals on the Joint Commission are interesting and represent a considerable amount of labor. However, the applicability of the conclusions reached by the Joint Commission and indeed the appropriateness of taking into account the economic factors suggested by the Joint Commission in approaching the concrete problem of the reduction and limitation of armament are matters solely for consideration and decision first, by the Preparatory Commission for the Disarmament Conference, and, second, by the governments represented thereon.

The American Government has noted that Sub-Committee B of the Preparatory Commission has been careful to reserve for all the governments represented on the Preparatory Commission the right to make any observations they may think fit either in written documents or orally in the course of the discussions at the forthcoming meeting of the Preparatory Commission. The American Government desires to make the following remarks relative to the subjects considered in the report of the Joint Commission, reserving the right to amplify those remarks before the Preparatory Commission.

Section I

This Section of the Joint Commission's Report contemplates the supervision or regulation of certain essential national industries, and international agreements among such national industries looking to the divulgence of certain information and the rationing of manufactures. There is also contemplated a system for the collection and publication of statistics of manufactures.

The American Government, as has been repeatedly stated by the American Delegation at Geneva, does not view favorably any proposal partaking of the nature of international supervision of the administration of an agreement limiting armament. It believes that the surest foundation upon which to construct such an agreement is that of international good faith and respect for treaties. It believes that the introduction of the element of supervision and control is calculated to engender suspicion and illwill, the disadvantages

²² Circulated by the Secretary General of the League to the Preparatory Commission and to members of the League, under date of Mar. 10, 1927.

of which would far outweigh any advantages to be derived from such supervision or control.

With regard to the specific suggestion of agreements between national industries, it may be pointed out that in the United States, at least, there might be grave legal and constitutional objections to an international agreement whose effect was to compel American industries to enter into agreements with industries of other countries.

It may further be pointed out that it is the practice of many countries, including the United States, to publish periodically statistics covering the production of various industries.

Section II

This Section of the Joint Commission's Report may be divided into two parts:

(1) The advisability of the insertion in a General Disarmament Convention of provisions similar to those contained in the Statute of the International Labor Office (Articles 411 to 420 of the Treaty of Versailles) and

(2) The effect, economically, of inserting such provisions in a convention regarding the prohibition of certain forms of warfare.

As regards the insertion of such provisions in a convention limiting armaments, it is noted that the Joint Commission recommends a comprehensive plan of procedure, providing for investigation of complaints by a commission of experts and action upon the recommendation of that commission by the Council of the League of Nations.

Quite aside from the fact that the United States is not a member of the League of Nations and that consequently proposals calling for the submission of disputes to the Council for investigation and action would necessarily not concern it, the American Government desires to call particular attention to the declaration in which the American Delegation at Geneva joined with the Delegations of Chile, Italy, and Japan in the Report of Sub-Committee A on the questions contained in paragraph 2B of the report of the Preparatory Commission to the Council.²³ The objections there set forth from the military point of view to a system of control similar to that contained in the Statute of the International Labor Organization would seem to be equally applicable from the economic point of view.

In regard to this general question, the American Government believes it appropriate to reiterate here the declaration which the American Delegation at Geneva made jointly with the Delegations of the British Empire, Chile, Italy, Japan and Sweden, with respect

²³ Report of Sub-Commission A, p. 165.

to the question of international control and supervision, the substance of which was as follows:

" . . . any form of supervision or control of armaments by an international body is more calculated to foment ill-will and suspicion between states than to create a spirit of international confidence, which should be one of the more important results of any agreement for the reduction and limitation of armaments. The execution of the provisions of any convention for the reduction and limitation of armaments must depend upon the good faith of nations scrupulously to carry out their treaty obligations."

With reference to a proposal for commissions of inquiry, et cetera, submitted by certain delegations,—generally similar to the proposals of the Joint Commission,—the six delegations above mentioned submitted the following observations:

"(1) The work of the proposed Commission would be complicated in the highest degree. It should not only be regarded from a technical point of view (military and economic), but should also be regarded from a political point of view, since, as Sub-Committee A has already shown, the primary criterion as to whether the armaments of a country are designed for defensive or offensive purposes lies in an appreciation of the political intentions of the Government interested. The Commission in question would, therefore, be called upon carefully to take account not only of military and economic considerations, but also political considerations. In other words, the Commission should be composed of quite exceptional representatives of each country, and, if it were to do its work effectively, it should in fact be a kind of International General Staff.

"It would be extremely difficult for such a body to carry out its duties. It would be inevitably driven to encroach on the legitimate functions of these bodies which, in all countries, are entrusted by Governments with the duty of advising on the measures to be taken to ensure the safety of the State and to place it in a position to fulfil its international obligations.

"It has been contended by others that the above use of the term 'International General Staff' can not really be applied to a Commission of this sort; it was further contended that the powers of such a Commission would not differ appreciably from those of many existing commissions. The six Delegations submitting this declaration do not share this opinion; they know of no body whose duties would be comparable to the duties of the Commission proposed.

"(2) It would be very difficult for the proposed Commission to arrive at unanimous reports. More often there would be two or more divergent opinions, the choice between which would have to be taken by appeal to a higher body. In any case, in order to ensure the supervision of the execution by a State of its obligations, the Commission would require to investigate further and to complete its information and to invite that State to furnish observations and explanations. This would require considerable time, during which the situation under examination might change.

"(3) If this organization were composed of all the States signatories of the Convention, it would be unduly numerous and its procedure would, therefore, be very slow. If, on the other hand, it were composed of some only among these States, the difficulty would arise of settling which of the countries adhering to the Convention should be represented on it.

"It has been contended by others that it cannot be claimed that the creation of supervisory organizations is impossible on material or practical grounds since many precedents already exist. It is further contended that a precedent could be found in the Opium Convention and in the Statute of the International Labour Organization. The six Delegations submitting this declaration wish to point out that there is no analogy between Opium and Disarmament, and as to the extension of the Statute of the International Labour Office to Disarmament, this could not be invoked as a precedent; on the contrary, Sub-committee A had been asked to examine whether the application of that statute was possible or not.

"(4) It is very doubtful whether the method of procedure contemplated for the proposed Commission can be in practice applied. An example will best explain the position. The commission receives reports which may possibly lead to the suggestion that in country X there are certain indications which might be considered to show that that country is not fulfilling its formal obligations, or to show the growth of aggressive intentions against country Y. What will be the position of the proposed Commission? They will find themselves obliged at once to study questions which have not only a technical, but a political aspect, and it is safe to assume that in many cases the members of the Commission will find themselves influenced by divergent political considerations. If the case is quite clear, these political considerations may be disregarded; but if, as is more probable, the position is a complicated one, then it is safe to say that these political considerations are bound to hamper an impartial inquiry. In such a situation it is to be feared that divergent opinions will come to light and the only way of removing them would be by verifying the situation on the spot. This means that a proper application of the proposed method would frequently lead to inquiries on the spot. The Delegations subscribing to this declaration consider that most unfortunate results both political and technical would follow from these inquiries. It is impossible to disregard the possibility that, in certain circumstances, one country might bring a charge against another in order to obtain, unjustifiably, information about the secret defensive organizations of the country accused. Moreover, the Delegations of the British Empire, Chile, the United States of America, Italy and Japan, are entirely unable to accept for their own Governments anything in the nature of itinerant inquisitorial Commissions.

"It was contended during the deliberations on this question that the 'unfortunate results both political and technical' mentioned above, which the six delegations submitting this declaration claim would follow from these inquiries, would in fact not exist since 'inquiries of this kind have already been carried out to the general satisfaction'. Since, obviously, no such inquiries of this nature have ever been carried out in the past, it is difficult to understand how such a contention can be held.

"(5) Further, it may be pointed out that if, in fact, it were decided to limit the task of the proposed Commission to examining, comparing and drawing conclusions from the variety of information at their disposal, the reports drawn up by the Commission would give rise to further objections.

"From the technical point of view, any conclusions at which the Commission might arrive 'without inquiry and direct control likely to affect the secret military preparations of the different States' would be liable to be completely erroneous and misleading. The result might be that technical Commission would be writing reports impugning the good faith of nations without having at their disposal the essential facts such as could only be gleaned from a first-hand study of the situation on the spot. And, in general, it is inconceivable that Governments can view, without irritation, the requests for explanations which would be the result of insufficient data and which might, therefore, be regarded, according to the different circumstances of the case, as vexatious, disingenuous, or actually provocative.

"(6) The work so far carried out by Sub-committee A proves in the opinions of the Delegations subscribing to the present declaration, that the only basis on which it is possible to hope for satisfactory and permanent results is the creation of an atmosphere of good faith. It cannot be denied psychologically and from all experience that the introduction of restrictions upon the sovereign rights of each State, tends to militate against the creation of this atmosphere. It is common knowledge that in every country restrictions of all kinds are necessary, but these restrictions have only been imposed as the result of experience and by the nation itself in the exercise of its sovereign powers. The Delegations of the British Empire, Chile, the United States, Italy, Japan and Sweden consider that restrictions of this nature should not be contemplated in international engagements except where absolutely necessary and with the fullest consent and approval of the nations concerned.

"With regard to this entire declaration, it developed during the proceedings on this question in 'Subcommittee A that others contended that the authors of this declaration in setting forth their observations had stressed political and psychological arguments and omitted technical arguments. The signatories of this declaration are of the opinion, on the contrary, that they have submitted both technical and political arguments; but in any case it will be for the Preparatory Commission to make this distinction if it sees fit'."

In regard to the second part of the Joint Commission's answer to this question, relative to the insertion in a convention for the prohibition of certain forms of warfare of provisions similar to those in the Charter of the International Labor Office, it is observed that the recommendations of the Joint Commission confine themselves to the typical case of chemical warfare. It is further observed that these recommendations are conditioned upon agreements among the national industries concerned. The American Government does not consider that such agreements are in any way germane to the question of the limitation of national armaments. It is well known that the great

majority of the chemical products which may be utilized for military purposes in time of war are essential to the daily peace-time life of industry.

Section III

This Section of the Report relates to questions concerning the convertibility of chemical factories for the manufacture of poison gas, and means for hindering their conversion to such use. Proposals to that end are made by the Joint Commission.

The views of the American Government as to the appropriateness of the conclusion of industrial agreements among chemical industries have been stated above. With respect to the proposal that each state undertake to establish as a crime at common law any exercising or training by military persons or civilians in the use of poisons or bacteria, and, in particular, the exercising or training of air squadrons, it is the opinion of the American Government that such a proposal is impracticable. In this connection, it may be pointed out that no nation could safely agree to refrain from preparations for defense against attack by chemical warfare regardless of the existence of international conventions prohibiting the use of such warfare. In order to prepare against attack by such warfare, training in chemical matters is essential. To forbid absolutely training in the use of poisons and bacteria would, in the broadest meaning, put an end to chemical and medical research. Such a measure would be impossible to administer.

Section IV

This Section deals with the possibility of using military expenditure as a criterion for the comparison of armaments, and of effecting arms limitation by a limitation of such expenditure.

The conclusions reached by the Joint Commission relative to the usefulness of taking into consideration military expenditures in the comparison or limitation of armaments serve to emphasize the point of view which has been expressed by the American Delegation on the Preparatory Commission, namely, that military expenditure constitutes neither a real measure for the comparison of armaments nor an equitable basis for the limitation of armaments. The Joint Commission's report points out that certain groups of countries having similar military organizations, similar wage levels and standards of living, might profitably use expenditure as a standard for the comparison of their armaments. The American Government does not doubt that it might be possible for certain countries to employ such a method of comparison profitably as among themselves.

Without commenting in detail upon the conclusions reached by the Joint Commission on this subject, the American Government

believes that the true relation of budgetary expenditure to the comparison of limitation of armaments is accurately stated in the declaration made by the Delegations of Germany, the Argentine, Japan, The Netherlands, Sweden and the United States at the meeting of Sub-Committee A of the Preparatory Commission as follows:

"The Delegations of Germany, the Argentine, Japan, The Netherlands, Sweden and the United States of America are of the opinion that while the reduction in national expenditure on armaments is highly desirable as one of the results to be attained by the reduction and limitation of armaments, this result would automatically follow from any effective reduction and limitation of armaments.

"They are strongly of the opinion that monetary expenditure for the creation and maintenance of armaments does not afford either a true measure of armaments or a fair basis for limitation of armaments. They hold this opinion for the following reasons:

"(1) The direct and indirect costs of personnel under the conscriptive and voluntary systems are so variable in different countries and in their overseas possessions and are influenced by so many different factors that these costs are practically impossible of simple and equitable conversion to a common basis.

"(2) Due also to differences in rates of pay, production costs, maintenance charges, costs of labour and material, varying standards of living, variations in the rates of exchange and lack of uniformity in the preparation of budgets, any attempt to apply this method of limitation would be unfair and inequitable.

"(3) The method of limitation of expenditure is an indirect method of obtaining a limitation or reduction of armaments. All methods heretofore considered have been positive and direct; the application of an indirect method seems highly undesirable as a means of accomplishing what might better be accomplished by direct methods.

"The above mentioned Delegations maintain their opinion that from a technical standpoint armaments can be effectively limited by direct methods.

"(4) While comparison without limitation is possible, obviously there can be no equitable limitation of expenditure by international agreement without a comparison. In other words, comparison of expenditure is a pre-requisite to equitable limitation of expenditure. Therefore, since comparison cannot be made between budgets of different countries, as has been agreed upon in the study of standards of comparison, it will be impracticable to use a budgetary method in any formula for the reduction and limitation of armaments.

"For these reasons the above Delegations are firmly of the opinion that the method of limitation of armaments based upon the limitation of budgetary expenditure is impracticable, inequitable, and hence inadmissible.

"Since the mandate of the Preparatory Commission calls for a reply to this question only in case the limitation of expenditure is considered practicable, and since in the opinion of the above-mentioned Delegations the method seems inapplicable, it would appear that the reply to the question submitted should be, that the limitation of expenditure is not a practicable method for the limitation or reduction of armaments."

Section V

This Section relates to the principle upon which it will be possible to draw up a scale of armaments permissible to the various countries, taking into consideration population, resources, geographical situation, length and nature of maritime communications, density and character of the railways, et cetera.

The views of the American Government are in general accord with the reply to this question contained in the Report of Sub-Committee A and it does not appear to be necessary to restate those views in this document. It may be observed, however, that the conclusions reached by the Joint Commission in reply to this question indicate with a fair degree of clearness that the only factor which can be applied with any accuracy is that of population and that the application of this factor in the matter of limitation or reduction of armaments should be merely a basis for the determination of the maximum allowable amount of personnel in the armed forces.

Section VI

This Section deals with the influence of the material resources of a country on its war strength.

It is noted that the Joint Commission has approached the consideration of this question apparently with a view to pointing out those factors which it would be necessary to equalize or to compensate for in order to allow the various countries of the world to wage war upon one another on a more or less equal footing.

The American Government does not desire to comment in detail upon the observations of the Joint Commission in this regard since it will be readily admitted that in order to wage an effective war a country must have either within its own borders or accessible to it elsewhere the necessary supplies of raw materials, manufactured goods, and financial resources. With respect to these materials, each country is faced with a separate problem which, in a general sense, can never be solved by artificial international agreements. Those countries rich in raw materials and industrial facilities cannot be deprived of that wealth nor can countries poor in such wealth be provided with it except through the normal course of agricultural and industrial development.

Section VII

This Section indicates certain elements of a country's war-time power which are, in the opinion of the Joint Commission, capable of being expressed in figures.

It may be pointed out in passing that the list of the raw materials indicated by the Joint Commission as essential for waging war does not appear to be complete.

Section VIII

The final Section of the report contains the Joint Commission's views relative to the possibility of considering areas or regions of the world as essentially self-supporting economically. This question was raised in connection with the consideration of the practicability of regional agreements for arms limitation.

The American Government believes that the problems of land and air armament are particularly susceptible of regional limitation agreements quite regardless of whether the regions covered by such agreements might be economically self-contained or not. While the observations of economic experts on this subject are perhaps of interest, the practicability of regional agreements will be determined eventually by political conditions and by decisions of governments as to whether they wish to adopt a policy which promises an immediate limitation of land and air armaments.

500.A15 a 1/77 : Telegram

*The Ambassador in Great Britain (Houghton) to the Secretary
of State*

[Paraphrase]

LONDON, *March 7, 1927*—6 p. m.

[Received March 7—3:30 p. m.]

57. The following is authoritative, but is not yet to be made public. On assembling of Preparatory Commission on March 21, Cecil ²⁴ has been authorized to lay before it a draft convention which embodies following plan: The high contracting parties are to bring their proposals on strength in land, sea, and air forces before the final Conference, and appropriate subcommittees are to consider these proposals separately. That this plan is squarely opposed to French idea of interdependence of arms is recognized, but it is conceded to Cecil so that League may have all possible opportunity to reach practical result through the Preparatory Commission. Admiralty believes that Cecil's draft convention will not be acceptable and that impasse will be reached before Easter holidays. At all events, no great time will be permitted for discussion. The Admiralty expect that the Three-Power Naval Conference will meet in June.²⁵

HOUGHTON

²⁴ Viscount Cecil of Chelwood, British delegate on the Commission.

²⁵ See pp. 1 ff.

500.A15/440 : Telegram

The Chief of the American Representation on the Preparatory Commission (Gibson) to the Secretary of State

GENEVA, March 21, 1927—9 p. m.

[Received March 22—1:56 a. m.]

186. Preparatory Commission convened this afternoon. Cecil presented his draft convention outlined in my 176, March 14, 6 p. m.,²⁶ with statement that this was merely a framework for discussion and that he would welcome alternative drafts from other delegations and proposed that any effort to reconcile them be made by special subcommittees. Paul-Boncour²⁷ in conciliatory speech stated that he preferred beginning by general discussion of the reports of technical subcommittees but that under the circumstances he was prepared to adopt British method and would tomorrow or Wednesday press the alternative draft embodying French views and expressed his hope that the other delegations would present drafts and suggestions.²⁸ The Italian delegate read long prepared statement to the general effect that Italy would not consider present armaments as a basis of discussion and that regardless of the forces of other European countries Italy would demand total strength equal to that of any other European country. Japanese delegate read a declaration in which he associated himself with Italian view that the armaments of each country must be settled entirely by that country. I took no part in the discussions aside from expressing satisfaction over the agreement to take British and French drafts as a basis of consideration and added that the generous manner in which the French delegate subordinated his preference in the method of work was a good augury for future success.

There is no work before the Preparatory Commission until the French draft is made available but a meeting will be held tomorrow merely because of the fear which was openly expressed that failure to hold a meeting might have an unfortunate effect upon public opinion.

GIBSON

²⁶ Not printed; see telegram No. 57 from the Ambassador in Great Britain, *supra*.

²⁷ French delegate on the Commission.

²⁸ The texts of the British and French drafts are printed in Great Britain, Cmd. 2888, Miscellaneous No. 4 (1927): *Report of the British Representative to the Secretary of State for Foreign Affairs*.

500.A15/438 : Telegram

*The Secretary of State to the Chief of the American Representation
on the Preparatory Commission (Gibson)*

[Paraphrase]

WASHINGTON, *March 22, 1927—6 p. m.*

95. In reply to the inquiry made February 24 in your private letter to Mr. Dorsey Richardson of the Division of Western European Affairs,²⁹ on position to take should necessity arise of defining this Government's attitude toward an economic blockade which the Council of the League of Nations might declare under article XVI of the Covenant of the League, you will be guided by the following statement :

"1. The Government of the United States cannot become a party to any agreement involving an undertaking on its part to sever either trade or financial relations with any state in any contingency, nor can it participate in any blockade which may be decreed by any power or by any group of powers, whether the blockade is decreed under the auspices of the League of Nations or otherwise. No arrangement directly or indirectly contemplating possibility of prohibiting or restricting carrying on of trade or commerce by American citizens with any other country or countries by institution of an economic blockade can be entered into by the Government of the United States.

2. This Government will not agree to any form of international supervision or control of armaments. This Government considers that, as far as it is concerned, sole sanction for reduction and enforcement of any convention for reduction or limitation of armaments is the good faith of all the nations which are concerned; this good faith naturally requires scrupulous observance on their part of their treaty obligations."

KELLOGG

500.A15/444 : Telegram

*The Chief of the American Representation on the Preparatory
Commission (Gibson) to the Secretary of State*

[Paraphrase]

GENEVA, *March 23, 1927—11 a. m.*

[Received 12:30 p. m.]

191. The entire character of the proceedings of the Preparatory Commission will change with the presentation of the British, French, and possibly other texts as basis for work instead of the original agenda.

The French draft is based entirely upon the idea of enforcement of the Treaty of Versailles by the League of Nations; nominally the British draft is also largely based on League enforcement but in this

²⁹ Not printed.

respect its provisions are more readily susceptible of being worked out by organizations and procedure which does not bear the label of the League, as Cecil has indicated in his statement. Such action, however, would meet with determined opposition from the French bloc. We must decide how far our course of action is to be affected by this change. We have two courses open to us, in my opinion: (1) To continue to present our views on all questions with view to having them adopted in draft of convention; (2) to set forth our views making known the sort of treaty we would be in position to accept and leave to other delegations adoption, or otherwise, of such a draft, placing on them the responsibility for adoption of a draft which would make our participation impossible.

Adoption of first course would lead inevitably, I think, to deadlock, providing those who hold other views with pretext for throwing on us responsibility for failure to solve problem of disarmament; certainly the tension with the French would be increased, as well as with nations supporting them, and it would lead to multiplicity of arguments, merits of which a large part of the continental press and possibly a portion of the American press would inevitably distort. I do not see how, by such methods, we could arrive at a generally acceptable treaty draft.

Second method, if well presented, would enable us, on the other hand, to state our views with equal clarity and would at same time allow for recognition of fact that measures which we could not accept for constitutional or legal reasons might be desirable and practicable for other countries. Essential obstacle to a plan generally acceptable is that large number of delegations desire to have entire machinery of disarmament placed under supervision and control of League in order to make disarmament contingent on security under League, on international inspection and control, and to put measures of sanction under jurisdiction of the League Council. We might express desire to enter into general scheme for limitation and reduction of armaments and then leave to the others the decision as to which was more important: Abandonment of use of League in this matter in order to obtain American participation, or agreement upon what they deemed to be effective measures under League, with full knowledge that this action would thereby eliminate us from any final arrangement.

I shall cable you a tentative outline of statement on this subject for your consideration. If it proves acceptable I should appreciate your full instructions for exact form in which matter is to be presented. Urgent that I have instructions early, as the situation may develop so rapidly that our attitude will have to be made clear in course of next few days.

GIBSON

500.A15/446 : Telegram

The Chief of the American Representation on the Preparatory Commission (Gibson) to the Secretary of State

GENEVA, March 23, 1927—midnight.

[Received March 24—1:23 a. m.]

194. My 191, March 23, 11 a. m. With reference to second course proposed. At today's session of Commission, Boncour in presenting his draft declared that it was only in an earnest determination to meet American position that he framed provisions of his draft concerning carrying into effect of convention and embodying erection of Permanent Disarmament Commission; otherwise he would have preferred to utilize already existing League organs. French draft, unlike British, still provides for supervision and control of contracting parties' territory.

[Paraphrase.] If second course should be adopted, however, Boncour is so conciliatory that I feel that I might suggest the possibility of dividing the convention into two parts, the first part to contain the absolute provisions for the limitation and reduction of armaments and the second to comprise those provisions which members of the League of Nations might be desirous of having enforced by those agencies under the control of the League. It is believed that under such circumstances the members of the League could apply the second convention as among themselves while we might adhere to the first with such additional undertakings as might make our adherence acceptable to those states members of the League. [End paraphrase.]

GIBSON

500.A15/447 : Telegram

The Chief of the American Representation on the Preparatory Commission (Gibson) to the Secretary of State

GENEVA, March 24, 1927—11 a. m.

[Received 3:50 p. m.³⁰]

195. If you decide upon the adoption of the second course indicated in my 191 March 23, 11 a. m. I would suggest that I take an early occasion to make a statement somewhat along the following lines. For example, I have sought to avoid on the one hand appearing to be obstructive and on the other the appearance of a swan song. There are some repetitions but they are intentional to make sure of driving home essential points.

"With the submission of the drafts, which are now before us, the work upon which we are engaged has assumed a new aspect. Here-

³⁰ Telegram in three sections.

tofore we have been engaged upon the discussion of a number of technical questions but now we have before us texts which embody not only technical views by [*but*] the political views of various Governments as to the practical solution of actual problems of the limitation and reduction of armaments. I cannot [*but*] feel this is a distinct step forward on the basis of very valuable technical work which has already been done. We are now in a position to begin the thorough examination of the still more difficult and involved political problems. While the American delegation does not feel that it can usefully submit an additional draft convention, it welcomes the candor which has prompted the presentation of the drafts now before us which are of the greatest value in that they indicate how far certain Governments are disposed to go, and secondly, the methods which they feel can best solve these problems. I think I can say that in a general way the drafts before us indicate certain schools of thought which have been developed in the course of lengthy discussions as to the most acceptable methods of limiting and reducing armaments. It may best serve the avowed purpose of these drafts and facilitate the work of the Conference if I offered at this time certain frank comments on a type of provisions common to all of them. I refer most particularly to those provisions in both drafts which envisage utilizing the machinery and authority of the League of Nations in carrying out the provisions of a final treaty either through providing for security, the punishment of an aggressor state, or international inspection and control of armaments.

During the discussions of the past few days I have been greatly impressed by the obvious conviction of many delegations [*that*] the solution of the armament problem can best be found through utilizing in full measure the machinery and authority of the League of Nations. The sincerity of this conviction commands our fullest respect, not only our respect, but a growing belief that this very confidence in the efficacy of the League as an organ of peace may indicate that these nations are feeling their way forward surely to a solution of their problem. The American delegation believes that the possibilities of such a solution deserve the most careful friendly examination and if it be found that this is the way to accomplish the task it will rejoice in every measure of success that may be achieved. Moreover, my Government is deeply and genuinely sensible of the friendliness and good will which has been shown throughout these discussions in an effort to deal in a practical manner with the problem created by the fact that the United States is not a member of the League of Nations. As has been brought out in these discussions this constitutes a difficult problem and it may be that even infinite goodwill will not suffice to obtain the advantages sought by those who wish to use the authority of the League and at the same time make adequate [*provision?*] for the existing difficulties created by America's nonmembership. I am confident, however, that if this extremely difficult problem cannot be solved it will be through no lack of careful study and goodwill. There are other governments which are not members of the League, but the American Government is the only one among them which is here represented to bring forward this point of view. The fact that my Government is not a member of the League imposes very definite limitations as to the undertakings which it is in a position to give in connection with

a convention of this sort. In the course of the discussions in the Preparatory Commission and its subcommissions, it has repeatedly been made clear that any convention, in order to be acceptable to my Government, must take full account of the fact that it is not a member of the League and further that it is not in a position to subscribe to international agreements based on supervision or control. I trust it will be clearly understood that I am not bringing up this question in any spirit of criticism or with a view to raising doubts as to the effective measures or desirability of the methods. I am merely calling attention to a fact.

I realize that there is a broad difference in the possible types of conventions which might be drawn up. On the one hand there is the type of convention which some delegations here might be ready to accept in which they would utilize in a very extended form the authority and supervision of the subtreasurer. At the other extreme is the form of convention which would be acceptable to my Government, namely, a general international convention binding as between the contracting parties and depending for its fulfillment upon international good faith and respect for treaties without recourse to the League.

Regardless of the views of any delegation or group-meeting of delegations and regardless of the particular situation of any delegation, what this Commission is chiefly concerned with is the elaboration of a convention which will most effectively deal with the problem of the limitation and reduction of armaments. In the view of my Government everything should be subordinated to that end. After the very exhaustive studies which may be made by the members of this Commission it may be felt by many delegations that the problem can best be solved by the adoption of a text which involves the full use of League machinery and the [conferring?] of definite and extensive powers on the League. If in the reasoned opinion of this Commission that course will accomplish the purpose for which it has been convened, my Government would not wish its special situation to be considered an obstacle to general agreement. We quite realize, as I have said, that a treaty utilizing to the full the machinery and authority of the League might best be calculated to meet the problem even if the United States should be unable to become a party to it. On the other hand a treaty which takes full account of the special situation of the United States in such measure as to make it acceptable to us might be considered of doubtful value in dealing with the situation in other parts of the world and my Government above all desires that its special position shall not impede the adoption of the most effective convention possible.

I have ventured to set forth these views in explanation of my Government's position but I have not done this with the desire to ask the Preparatory Commission to give its immediate attention to this special problem. It will, I hope, be taken care of in the normal course of discussion incident to the preparations of a draft convention in which work the American delegation will take its full share, since any decision of the Commission not to make special provision for America's status would in no way diminish our interest in the general problem.

In this connection the Commission will wish to consider how far the general question or problem of armaments will be affected if a draft is adopted to which the United States cannot become a party. It may

perforce be felt that the armaments of my country hardly require the measures of supervision and control prescribed in the proposed convention. It may also be borne in mind that with respect to naval armaments we are already strictly bound as regards certain classes of ships by a treaty which still has a number of years to run.³¹ Under proposals which have recently been made by the President³² we are seeking to reach an agreement which we hope will result in limitation of the classes of ships not already dealt with in the Washington treaty. As regards our land armament, it is well known that it has been reduced to a figure far below that of any other country with anything [approximating] our population and that our whole history and tradition is in the direction of a military establishment reduced to a minimum. While I am of course in no position to give any undertaking on behalf of my Government at this time, I am authorized to say that there is no present intention of materially increasing our land forces. I do not wish to urge this view upon the Commission but merely submit it for consideration in connection with the general problem which I have raised.

My Government is thoroughly alive to the very real problems which confront many of the countries here represented. It quite realizes the great complexity of the query which they are now called upon to meet. It is this recognition of the difficult position of other countries which has led my Government to authorize this declaration of its position. It feels that the problem at issue is so great that it will willingly subordinate its own desire to join in this convention to its still stronger desire to witness the successful conclusion of a concrete achievement which, even if it should fall short of the utmost desirable, would still be a most noteworthy contribution to the cause of peace and an alleviation of armament burdens and, it may well be hoped, constitute an incentive to further accomplishments in the same field. This is a task which will call not only for intelligence and industry but for great courage and indefinite [*infinite?*] tolerance. My Government is most anxious to contribute its full share and will work wholeheartedly for the success of this effort in that spirit.

A number of my colleagues have referred in very friendly terms to their anxiety to draw up a text which can be accepted by my Government. Monsieur Paul-Boncour in his admirable presentation of the French draft showed clearly that he had made an earnest effort to reconcile his belief in the efficiency of League authority with his desire to bring America into the final treaty. We are deeply sensible of the friendly spirit which prompted him to go to the lengths [to] which he has gone in [preparation?] of his draft. In examining Lord Cecil's draft it is obvious that he has been animated by the same spirit. My Government on its part is most anxious to find some solution of the problem which will enable it to accept a draft convention which commends itself to the other members of this Commission as effective and desirable. I recognize that the problem is difficult but with the good

³¹ Treaty for the Limitation of Naval Armament, signed at Washington, February 6, 1922, *Foreign Relations*, 1922, vol. I, p. 247.

³² See the Department's telegram No. 26, Feb. 3, 8 p. m., to the Ambassador in France, p. 6.

will which has been shown here it may be possible to find a way out. One thought which occurs to me is that some method might be devised of dividing the text toward which we are working into two parts—one of them to contain merely the actual provisions for the limitation and reduction of armaments and the other to consist of those provisions which members of the League may desire to apply for their enforcement through League agencies. This might be worked out in such a way that my Government could give its adherence to the first convention accompanied by such separate undertakings as might make this adherence acceptable to the states members of the League while they could apply the second convention as among themselves. I am not offering a carefully elaborated plan for it is my purpose to avoid this and to offer this as one possible means of meeting the problem in a way acceptable to all. It may be that other delegations can suggest a still better solution and I shall be very grateful if they will be good enough to give me the benefit of their suggestions on this subject."

GIBSON

500.A15/449: Telegram

The Chief of the American Representation on the Preparatory Commission (Gibson) to the Secretary of State

[Paraphrase]

GENEVA, March 24, 1927—4 p. m.

[Received 4:43 p. m.]

196. Reference is made to my No. 194, March 23, midnight. The idea of a double convention similar to the one I outlined to the Department has suggested itself to some of my colleagues who were most anxious to broach the subject this morning. To prevent this, I suggested that such a proposal would be premature and that it would be embarrassing to me if presented before my Government had had an opportunity to examine the drafts which had been submitted for consideration. It is apparent that most of the value of this contribution would be lost to us if before I can present the matter it is even hinted at by others. I would, therefore, request that you let me have your decision regarding my suggestion at the earliest possible moment in order to minimize the risk of losing the initiative in the matter.

I am firmly convinced that our position now and in the future would be greatly strengthened if the suggestion which I have outlined were adopted.

GIBSON

500.A15/450 : Telegram

The Secretary of State to the Chief of the American Representation on the Preparatory Commission (Gibson)

[Paraphrase]

WASHINGTON, March 25, 1927—5 p. m.

98. Owing to late arrival of your telegrams on statement you propose to make, it is impossible for me to examine matter carefully and advise you tonight. I think, however, that in main it is too much an endorsement of League supervision, as our argument has always been not only that such supervision could not be accepted by us but that it is vicious in principle as its only effect will be to create distrust and suspicion between nations. In addition I do not think that we are justified in saying that we have no intention at present of materially increasing our land forces. Your draft will be considered and reply sent some time tomorrow.

KELLOGG

500.A15/453 : Telegram

The Chief of the American Representation on the Preparatory Commission (Gibson) to the Secretary of State

[Paraphrase]

GENEVA, March 26, 1927—11 a. m.

[Received 12:36 p. m.³³]

199. Department's 98, March 25. The statement could not, I am confident, be interpreted as a departure from the consistently maintained American position. Throughout the discussions, as you will recall, the statement by us that we deemed supervision vicious in principle and declined to accept it for ourselves was coupled invariably with the statement that no objection would be offered by us if others wished to apply it among themselves. If we are not to be illogical, we must take an occasion to reiterate our position either now or as soon as the question of supervision comes up. Should all the other powers consider that supervision by the League, applied to themselves but not to the United States, does not create suspicion but is, on the contrary, the only method to allay their mutual suspicions, opposition by us would not be consistent and would make our position untenable. The whole delegation, however, believes the statement in my 195, March 24, 11 a. m., or something like it, should be made promptly. Three courses remain open to us:

³³ Telegram in two sections.

(1) Make such a statement, thus removing any pretext for charging us with obstruction. This would leave us free to concentrate on trying to obtain in a separate convention what we regard to be essential. Also, this would clearly reveal our sincere desire for the promotion of achieved results.

(2) Await the same proposal from France or Belgium (see my 196, March 24, 4 p. m.). Unless we anticipate them, they intend to make it in a day or so, thereby creating the impression of going to extreme limits of concession in order to make the convention acceptable to us. A refusal would be difficult, and agreement would make it appear that we accepted a favor conferred upon us.

(3) Refuse the proposal in (2) above and fight for a general convention which would be acceptable to us. This course, in our opinion, is not to be considered. Most of the other delegations favor the use of League machinery to a greater or lesser extent, and most of them wish to apply supervisory measures among themselves. The best possible pretext to accuse us of rendering disarmament measures impossible would be afforded them if we oppose this course.

It should be kept in mind that the prospect of success for the Conference is problematical at best and that, if we do meet the situation handsomely, we shall leave to others the shouldering of their share of responsibility for the failure. Should we advance this proposal, the clearest indication will have been given that we are not fighting them politically, though we may not agree with them on technical matters.

Another consideration is that some indecision is evident among the French regarding their reply to our last naval invitation.³⁴ Should we remove, in a conspicuously friendly way, what they consider to be the chief present obstacle in the way of their extreme League program, this may help in convincing them that, though on technical questions we have opposed them, no hostility to France was involved and we are anxious to treat with them in a friendly and generous way. Although this is pure conjecture, their decision regarding naval matters might be affected thereby.

Nolan³⁵ approves as accurate the statement that we do not intend a material increase of our land forces, but this I do not deem of any consequence in comparison with the main point developed by me. If you prefer, therefore, this sentence could be omitted without the value of the statement being affected.

A general statement has been made by each delegation, except those of Argentina and Colombia. Owing to the special position of the United States respecting the League, it is felt that, until our views become known, no general discussion can profitably begin. While awaiting our statement, the Conference now marks time. Yesterday,

³⁴ See pp. 1 ff.

³⁵ Maj. Gen. Dennis E. Nolan, military expert with the American delegation.

however, I was informed by the Conference that it would be difficult to wait later than Monday. Although I do not desire to seem unduly insistent or nervous, I cannot conceal the whole delegation's feeling that the situation is the most crucial developed so far during the Conference and that this factor has, under the circumstances, become of the utmost importance. Therefore, I trust that I may be enabled to make a general statement no later than Monday morning.

The delegation has most earnestly studied the entire problem but has not been able to evolve an alternative course. I cannot see how any other course than the one proposed by me will prevent the United States from incurring the odium of blocking the Conference. If the present recommendations are not approved, I beg to be furnished with the earliest instructions possible regarding the attitude I am to adopt in case another delegation proposes the double convention idea and also with specific instructions regarding the delegation's future course.

GIBSON

500.A15/447 : Telegram

*The Secretary of State to the Chief of the American Representation
on the Preparatory Commission (Gibson)*

[Paraphrase]

WASHINGTON, March 26, 1927—4 p. m.

99. Your No. 195 has been considered with all care possible in short time given, and I do not think that your suggested statement contained therein should be made to plenary conference.

(1) Fundamental objection is that other powers are deliberately encouraged to set up scheme of international supervision and control; and (2) very definite impression is given that only reason this Government cannot join is that the United States is not a member of the League.

Perhaps you do not really intend statement to have that effect, but certainly that is impression made on my mind, and I fear that the other delegations and the public as well would receive it the same way.

(3) One of our principal objections to both the French and British drafts is the provision they carry for international supervision—in your words, based on punishment of an aggressor state—or for international inspection and armament control. Military action or economic boycott is only punishment that could be inflicted, and each is not only impractical and unacceptable to this country, but, in my opinion, very likely to be rejected by other countries. We have insisted constantly that control of armaments as far as this country is concerned must be left to the good faith of nations.

(4) I think that the American delegation should put diplomatically before the plenary conference the arguments set forth in section 3, report of subcommission A,³⁶ by the delegates representing the

³⁶ Report of Sub-Commission A, p. 167.

Governments of the British Empire, Chile, Italy, Japan, Sweden and the United States. I cannot see why these nations should not urge upon plenary conference the arguments advanced in the report.

(5) I do not think that we impliedly should advocate a plan even for other nations which we would be unwilling to accept for ourselves.

(6) I cannot go over your statement in detail, but in many passages it seems to me that idea of approval of international supervision for other countries is conveyed. In section 2, for instance, you state that if in the reasoned opinion of the Preparatory Commission complete League control will accomplish purpose for which it was convened, the Government of the United States would not wish its special position to be looked upon as obstacle to general agreement; and that it is fully realized that a treaty utilizing to fullest extent the machinery and authority of the League of Nations could best be calculated to meet problem, even should the United States not be able to be party to it. Our point is that we do not wish to be put in position of saying that international supervision is good thing for other nations but not for ourselves.

I have no objection to offer to your making conciliatory and diplomatic statement within limits here set forth and stated already in our instructions. The position of this Government, reduced to its lowest terms and stated in language which perhaps can be modified and put in more conciliatory form may be described thus: The Government of the United States cannot agree, for its part, to any form of international supervision or control of armaments. This Government holds that, as far as it is concerned, sole sanction for execution and enforcement of any convention for reduction and limitation of armaments lies in the good faith of all nations involved, naturally obligating them to a scrupulous observance of their treaty obligations. The United States would have no concern, therefore, in what other powers may decide to do toward establishment of an international supervision or control applicable to themselves.

Principle involved here is of broader significance than any question having to do with efficacy of League machinery or of our nonmembership in League of Nations. The Government of the United States is unable to find itself in accord with proposals for any form of supervision or control of armaments by any international body, whether League of Nations or any other organization. We do not object, of course, to plan of publicity proposed in section 1, part 3, Washington Disarmament Conference.³⁷

Do not construe this message as an instruction to make no statement at all. We think you should use your own judgment as to that, but any statement which you may make on international supervision by League of Nations or any other body should conform to lines indicated above.

KELLOGG

³⁷ Treaty for the Limitation of Naval Armament, ch. II, pt. 3, sec. 1, par. (b); *Foreign Relations*, 1922, vol. I, p. 258.

500.A15/454 : Telegram

The Chief of the American Representation on the Preparatory Commission (Gibson) to the Secretary of State

[Paraphrase]

GENEVA, March 27, 1927—5 p. m.

[Received 9:04 p. m.]

201. Your No. 99 sets forth six main objections to statement I proposed in my No. 195. We understand and are in agreement with them as they tend to make our original intention clearer.

Objection No. 1. We shall amplify statement so as to make it clear beyond doubt that our Government adheres fully to position set forth in declaration to which you refer published in section 3 of subcommittee A report; we shall state that we thoroughly disapprove, as wrong in principle and not workable in practice, of international supervision and control of armament; that not under any conditions will we accept it; and that we are convinced that it is upon the good faith of nations and respect for treaties that the execution of any international agreement for the limitation of armaments must depend.

Objection No. 2. This objection will be obviated by statement as amplified under No. 1.

Objection No. 3. Amplification of statement will make clear that we will not accept sanctions of nature indicated.

Objection No. 4. We are adhering fully to declaration published in section 3 of Subcommittee A report. Our adherence will be made clearer in statement when rewritten, and when discussions reach subject of control will be dealt with more fully. On this issue Germany, Italy, and some of the other powers will continue to oppose the French; the better part for us is to state our position and leave it to them to protect their own interests.

Objection No. 5. We are not impliedly advocating a plan "even for other nations which we would be unwilling to accept for ourselves". We are adhering strictly to statements made repeatedly in pursuance of your written instructions which make it clear that should other powers desire to apply to themselves a regime of inspection or control, this is not a matter which concerns the United States. Statement I proposed will not in any way go beyond this position repeatedly taken and is merely logical development of that position. My No. 199, March 26, 11 a. m. indicated urgent necessity of this course from strategical point of view, and our position will be very greatly strengthened if we adopt it and will be seriously impaired if we do not.

Objection No. 6. Your quotation from my proposed statement read "machinery and authority of the League of Nations could best be calculated to meet problem"; my statement read "might" instead of "could" but nevertheless this portion will be omitted.

The above changes in the proposed statement seem in large measure to meet your views and at same time to carry out our original intent. The Preparatory Commission has begun a detailed discussion on the

coordinated Anglo-French draft on land armaments, and until we shall have enunciated a general policy we are in an awkward position to press our views. We request your authority to redraft the statement in conformity with above changes and present it as soon as we can.

The fact that the issue is not confined to the question of control should be borne in mind. All the other delegations on the Preparatory Commission are prepared to use the League of Nations machinery in forms which would not be acceptable to us and which range from the obligation to report activities to the League to provisions of elaborate nature for security and sanctions. We clarify the situation and at same time relieve ourselves of necessity for cooperating in any of these matters if it is agreed that the convention is to be restricted broadly to limitation provisions to which you could adhere. Members of the League would be left free to take whatever measures they can negotiate to make the convention operative among themselves. We have frequently declared that any such arrangements do not concern us, and if the Conference is to break down on disagreements on League matters among European powers it seems highly important that we should avoid taking sides beyond a statement of our views.

The cross-currents and tension here are difficult to describe. Speaking with our knowledge of the situation, we feel strongly that the course we propose should be taken without delay, as tension here will largely be relieved as far as we are concerned and we shall be left free to maintain our full thesis on what should go into a draft convention which is restricted to provisions of limitation; at same time we shall be free from resentment which is inevitable if we take part in what is now becoming a European political fight.

All of us attach the utmost importance to idea of a double convention as only means of avoiding participating in delicate discussions of League of Nations problems, and as means whereby others will be left free to reach agreement among themselves. As I stated in my No. 199 it is important that you communicate your views without delay, for it would be unfortunate were we anticipated in this proposal and I were not in position where I could make some sort of response.

GIBSON

500.A15/454 : Telegram

*The Secretary of State to the Chief of the American Representation
on the Preparatory Commission (Gibson)*

[Paraphrase]

WASHINGTON, March 29, 1927—4 p. m.

101. Your No. 201, March 27, 5 p. m. What we do not wish to have come about is to appear before Conference and world as originators

and proponents of a formula that would hereafter be known as the "American Plan", which in effect calls for joint international supervision and control of armaments for every power except ourselves. Although distinction between affirmative proposal and passive acquiescence may seem fine in this matter it is real nevertheless. Double treaty formula may be well worth considering although in working it out and putting it in practicable shape serious difficulties may be encountered, but after having given question mature consideration we are convinced that we ought not to accept responsibility of originating suggestion. On other hand we so genuinely appreciate possible embarrassment which it is evident that you are feeling keenly that we are anxious to go as far as we can towards meeting your views. It seems to us that our position before the Conference would be quite understandable and tenable were you to speak to your associates something along following lines: They have proposed some form of international supervision and control; we do not believe in this (give reasons) and cannot accept it; if, however, they want it and insist upon it for themselves and if they can find any way by which to accomplish what they desire for themselves and can at same time eliminate, as far as the United States is concerned, the feature of international supervision and control, then you are ready to cooperate with them in sincere endeavor to find solution of that problem.

In our judgment, statement along these lines represents limit to which we can go. Other delegations will then be able, as you expect, to come forward with the double convention suggestion.

KELLOGG

500.A15/462 : Telegram

The Chief of the American Representation on the Preparatory Commission (Gibson) to the Secretary of State

GENEVA, April 4, 1927—8 p. m.

[Received April 5—2:40 a. m.³⁸]

214. Proceedings of the present Commission forced ahead at such a pace as to preclude careful work or any effort at negotiation or compromise. . . . If work was being carried on at a normal rate most of the things we wanted would be brought out in the discussions but now we must state them each time lest the discussion be closed before our views are made known. We are agreed that the best course for us is to let other people state our views where they will; otherwise, to state them ourselves as briefly as possible and in an entirely objective manner and further to keep out of controversial debates except

³⁸ Telegram in two sections.

where it is essential to make our views on technical matters clearly of record.

Thus far the discussions have been on technical matters but at rate we are proceeding we shall probably reach discussion of a number of highly controversial subjects of a political character by Wednesday evening. These include budgetary expenditures, supervision and control, matters involving the use of League machinery in administering disarmament provisions of treaty and in all probability discussions of security under the authority of the Council.

These questions will arise one after another and will be the subject of bitter controversy; as controversies increase in bitterness there will be a fresh effort to choose a scapegoat for any failure of the Commission. We are at a stage of distinct jockeying. As matters now stand there are so many delicate European questions that need adjustment that so far as I can gather the inclination of those countries would be if possible to avoid recriminations among themselves and seek the scapegoat elsewhere. If on each of the contentious questions about to be considered we adopt an antagonistic attitude with no constructive or conciliatory offers we must expect that there will be a serious and perhaps plausible effort to hold us primarily accountable for failure. We can of course make a statement in connection with each of these problems that on account of our special conditions and special views we will not accept or be a party to any solution involving use of League machinery. But if this attitude of bare opposition is adopted we fall into a very dangerous situation. It is of course possible that delegations may give us a way out by suggesting a separate convention but it is becoming increasingly likely that they will emphasize and give wide publicity to our opposition to every proposal irrespective of the League, which many of them claim is the only way of bringing about effective measures of disarmament and thus make a concerted effort and saddle upon us the responsibility and blame for rendering agreement impossible.

I am still of the opinion that a bold suggestion of a treaty limited to disarmament provisions, accompanied by a protocol for its enforcement, would be the most sure means of warding off the real danger above set forth. In view however of your repeated instructions disapproving this, the force of which I entirely appreciate, it remains to be seen if the same result cannot be reached by other means. One way still appears to offer hope of bringing us safely out of the delicate situation I have described, while it likewise conforms to the limits laid down in your recent telegraphic instructions. I therefore venture to recommend that we take occasion whenever the first of these enforcement questions arises to make a general statement which applies not only to that particular question but to the purpose of the whole idea

of League machinery and authority; to make it perfectly clear that we will not accept any measure of League jurisdiction, any obligation to the League for information or otherwise, and that the whole idea of sanctions, supervision, et cetera, whether carried out under the League or not, is thoroughly unacceptable to us; that on the other hand we must recognize the fact that all the other members of the committee are members of the League and that we cannot stand in the way of their adopting such measures as they may deem desirable no matter how impractical or unworkable they may appear to us; that we would be wanting in frankness if we did not make it clear that our failure to accept these reasonable measures was not due solely to our nonmembership in the League but primarily because we believe them unsatisfactory and unworkable; that we hope our views to this effect will be given their earnest consideration as we are reluctant to see them adopt any measures which in our opinion can lead to no practical results; that the fundamental part of our doctrine is that the way to disarm is to disarm and that the most effective sort of treaty is only one which specifies the disarmament provisions upon which governments are able to agree and leaves to their good faith the enforcement of these provisions. In this connection I purpose to refer to the Washington treaty as a successful example. We believe that any attempt to control, direct or spy will inevitably tend to foster mistrust and suspicion and take us farther away than ever from our common goal. However if the other members of the Commission are able to reach agreement among themselves for measures of this sort and really believe that they will be efficacious, the American Government would not stand in the way of such agreement; that of course we could not become a party to it and that they might feel they preferred such an agreement among themselves to an entirely different agreement to which the United States could become a party; that in this event we should of course offer no objection and should warmly welcome any measures of success which might be achieved by their agreement. We might then say that we were sincerely desirous of becoming a party to a general limitation treaty and that we hoped some method could be found which would enable them to suggest the measures they deemed desirable while at the same time recognizing our special position and our convictions.

At this point I should throw out the suggestion that the treaty should contain merely disarmament provisions leaving its enforcement to the good faith of each Government. This would obviate the objection in your telegram to suggesting a double convention but would leave it open to some other delegate to suggest that there be a separate protocol as to enforcement among the other League members. However, as indicated above, the situation has so changed from that set forth in my earlier telegrams that we cannot rely confidently upon

other delegations' helping us out in this manner. The situation needs some active stimulation. I would therefore propose to take steps with a view to insuring that when I make my statement and suggestion as above set forth another delegation will propose that my suggestion of a limited treaty be complemented by a protocol [of] enforcement as between those believing in supervision and control, and I can then accept this suggestion. I feel fairly confident that I can satisfactorily handle this phase of the situation.

It seems clear to me that the proposal of a single treaty confined to disarmament provisions and with no proposals on our part of a separate agreement among League members obviates the objection raised in your 101, March 29, 4 p. m., that this would be called an American plan. We should be confining ourselves to a suggestion which could not be distorted as you feared would be the case with my original suggestion.

Any general statement of this sort, in order to have its maximum effect, should be made whenever the first question involving the use of League machinery or authority arises. It will come with much lessened effect if we have made reservations on one or more points and then come out with a general statement. It will then look as though we had been forced into it as a matter of self-protection, whereas if we do it spontaneously we may get the credit of trying to find some helpful way of meeting one of the definite problems of the Conference, and furthermore any stand we later take on technical problems will bring less resentment than if we are opposed to the continental thesis all along the line.

Commission finished first reading of air armaments today and begins naval armaments tomorrow morning. I do not see how we can help getting on to the question of enforcement of the treaties by Thursday at the latest. An immediate action is therefore essential. Marriner will be able to explain the very involved situation here which makes it imperative that we lose no time in divorcing ourselves from these European quarrels and confine ourselves strictly to the technical aspects of disarmament which in themselves I fear offer insurmountable obstacles.

I therefore request your authorization to pursue the course outlined above which, moreover, I believe falls within the limits of your instructions. I may be required to take a stand on one or more of these questions by Wednesday evening and hope you can give me your full instructions by that time. I earnestly hope you can agree with the foregoing as none of us can see any other effective way of emerging with credit from the present delicate situation.

GIBSON

500.A15/462: Telegram

The Secretary of State to the Chief of the American Representation on the Preparatory Commission (Gibson)

[Paraphrase]

WASHINGTON, April 5, 1927—6 p. m.

109. Course you outline in your telegram No. 214, April 4, 8 p. m., is approved, and I authorize statement along lines indicated at time you deem most opportune. Begin statement at point reading "I therefore venture to recommend." I suggest that it might be desirable to omit portion beginning "that of course we could not become a party" and ending "which might be achieved by their agreement." This portion might be open to misinterpretation and does not seem to be necessary.

KELLOGG

500.A15/464: Telegram

The Chief of the American Representation on the Preparatory Commission (Gibson) to the Secretary of State

GENEVA, April 5, 1927—9 p. m.

[Received April 5—7:43 p. m.]

216. Commission in this morning's session took up question limitation of naval effectives. After general discussion in which I briefly stated our position, the question was reserved as Cecil declared that he could take no further part in discussion until he received an answer to his request for instructions. While he in no way committed himself, this tends to indicate that he may go some distance in meeting French thesis.

Remainder of morning session and entire afternoon session devoted to discussion comparative methods of limitation of naval units by classes or by total tonnage. The majority of delegates set forth their views on the general subject without deviation from the position taken by them in subcommittee A. Paul-Boncour, however, at the end of a speech delivered with what seemed clearly deliberate moderation of tone stated that France might be prepared to envisage the publication of its naval building program within the total tonnage to be allocated to her. Having purposely refrained from speaking until after Paul-Boncour, I took occasion, after making a statement as to our attitude on this question, to observe that the suggestion made by Paul-Boncour and the general spirit of the remarks in which he had couched it, opened up most interesting and hopeful possibilities and that we should be glad to examine any proposal he might bring forward. Cecil expressed himself in the same sense and requested Paul-Boncour to put his suggestion precisely in writing. This the latter agreed to do.

Marinis ^{38a} then said that as regards publicity respecting naval building programs he thought the pertinent provisions of the Washington treaty might afford a basis of agreement. He also will submit his proposal in writing.

These two written proposals will probably come before the Commission tomorrow and I shall then be able, if necessary, to ask for instructions thereon.

GIBSON

500.A15/465 : Telegram

The Chief of the American Representation on the Preparatory Commission (Gibson) to the Secretary of State

GENEVA, April 6, 1927—5 p. m.

[Received April 6—2:48 p. m.]

221. Cecil informs me his Government is prepared under certain conditions to yield to the French in regard to the limitation of naval effectives. He is informing Boncour that he will be prepared to discuss acceptance of such limitation provided (1) that acceptable agreement can be reached in regard to some compromise such as that outlined in my 216, April 5, 9 p. m., and (2) that limitation of effectives is accepted by the United States and Japan. He feels that while limitation of naval effectives is not a sound method he can see no vital objection to it and is disposed to make certain concessions to the French if this will lead them to reciprocal concessions on naval tonnage.

Although we believe that the method of limitation by limiting effectives unnecessarily complicates the problem and have so represented to the Conference, we are not prepared to contend that it is wholly inadmissible. The views of the Navy Department are especially desired on the subject in view of the fact that the effectives of the Marine Corps and Coast Guard will necessarily be included in naval effectives. Due consideration of the fact that our air effectives are integral components of the naval effectives also is necessary. This latter not being the case with Great Britain or Italy will naturally affect the number of effectives necessary for us in comparison with those two countries.

GIBSON

^{38a} Italian delegate on the Commission.

500.A15/465 : Telegram

*The Secretary of State to the Chief of the American Representation
on the Preparatory Commission (Gibson)*

[Paraphrase]

WASHINGTON, April 7, 1927—6 p. m.

110. Your telegram No. 221, April 6, 5 p. m. Navy Department does not find acceptable the principle of limitation of naval effectives.

KELLOGG

500.A15/480 : Telegram

*The Chief of the American Representation on the Preparatory
Commission (Gibson) to the Secretary of State*

GENEVA, April 9, 1927—10 a. m.

[Received April 9—8:15 a. m.]

225. Department's 110, April 7, 6 p. m., and my 221, April 6, 5 p. m. Cecil repeats that his Government is prepared to yield to the French on naval effectives, providing that acceptable agreement can be reached with respect to limitation of tonnage. While fully realizing that limitation of naval effectives is not a good or even a practical method I feel that the question has now reached a brighter phase where you may feel it advisable to consider making concessions if by so doing an acceptable compromise agreement can be reached on the more fundamental important question of tonnage limitation. Department will of course bear in mind situation created if British yield and leave us alone in opposition. The possible effect of any agreement on the contemplated three-power conversations will be watched and you will be kept fully advised of progress. I therefore request the Department's instructions at its earliest convenience.

GIBSON

500.A15 a 1/171 : Telegram

*The Ambassador in Great Britain (Houghton) to the Secretary
of State*

[Paraphrase]

LONDON, April 9, 1927—4 p. m.

[Received April 9—3:16 p. m.]

83. Text of memorandum from naval attaché of Embassy follows:

First Lord of Admiralty informally requested naval attaché to see him, and attaché called last evening. Bridgeman emphasized that he was speaking only for the Admiralty not for the Government but expressed his views as follows:

He feared that divergent positions might be taken by the United States, Japan, and Great Britain as a result of certain proposals now

being made at Geneva and thought that an effort was being made to prejudice the success of the Three-Power Naval Conference by causing discord among the powers concerned at the present time. The French proposals he considered clever though impossible of acceptance and was confident that the present discussions at Geneva would yield nothing tangible. He trusted that unanimity in replying to questions raised at the present session of the Preparatory Commission might always be preserved among the three delegations. While deeming it best that no change be made in the attitude adopted last summer as regards opposition to theory of total tonnage or personnel limitation, he believed that modifications in details might for diplomatic reasons be made and that he would have no objection to them on the condition that the United States and Japan acted identically. Bridgeman laid emphasis, however, on fact that no pressure was being exerted by the Admiralty upon either of these powers to make them depart from agreements in principle already arrived at.

It was the naval attaché's opinion that the First Lord appeared hopeful of results which the Three-Power Naval Conference might yield but that he also appeared to think that a prerequisite to its success was that the three powers should not enter upon it committed to different engagements arising out of the present negotiations. Bridgeman stated that he expected to head the British delegation, accompanied by naval officers including Vice Admiral Field. He added that the British delegation would present to the Conference proposals of an easily comprehensible kind. Commenting upon this, the naval attaché thought that the British scheme that has been formulated is not in accordance with some of the recent proposals at the present session of the Preparatory Commission which have been partially approved by some of the powers.

As Bridgeman felt that cooperation in the matter was of importance he emphasized the fact that he would be grateful if his views were communicated to the appropriate American authorities.

HOUGHTON

500.A15/480 : Telegram

*The Secretary of State to the Chief of the American Representation
on the Preparatory Commission (Gibson)*

WASHINGTON, April 10, 1927—6 p. m.

113. Your 225, April 9, 10 a. m. The Navy Department feels that, while the French method of limitation of naval effectives is not acceptable, if a workable form of limitation of total strictly naval personnel, unhampered as to assignment or employment at home or abroad, could be devised some compromise on this subject might be accepted, possibly in exchange for some other concession.

Should Great Britain and Japan consent to limitation of naval effectives as one of the elements to be taken into consideration in the limitation of naval armaments, you are authorized to yield on this point as a matter of conciliation, after restating our opposition to the principle and after outlining the difficulties of estimating the

number to be used as a basis for such limitation in the United States, as the Navy includes the Marine Corps and also aviation units. Furthermore, the position of the coast guard, which comes under the Treasury Department, would have to be especially considered. You should likewise inform the Conference that you will be compelled to insist on the exclusion of the above mentioned classes of naval personnel from consideration in the total for purposes of limitation when the question shall arise.

KELLOGG

500.A15/483 : Telegram

The Chief of the American Representation on the Preparatory Commission (Gibson) to the Secretary of State

[Paraphrase]

GENEVA, April 10, 1927—6 p. m.

[Received April 10—4:10 p. m.]

227. I have been informed that instructions to state that the French proposal is quite unacceptable have been received by Cecil today. Unless and until some agreement is reached on naval matter, Boncour holds that it is futile to continue discussion of the other phases of the draft convention under consideration.

In strict confidence I was told this afternoon by Loudon, chairman of the Commission, that he believes these facts will be announced to the Commission tomorrow during the morning session. It is believed that the French and British will recognize each other's honest effort towards compromise and will come to an agreement that the best course to pursue will be to adjourn immediately, in order to give the Governments time to negotiate some form of agreement, in the hope that it may be possible sometime in June to reconvene the Preparatory Commission. The belief is held by Loudon that every effort will be made on both sides to leave the door open for eventual compromise and he seems confident that there will be no recriminations.

GIBSON

500.A15 a 1/171 : Telegram

The Secretary of State to the Ambassador in Great Britain (Houghton)

[Paraphrase]

WASHINGTON, April 11, 1927—2 p. m.

71. Your No. 83, April 9, 4 p. m. The Department appreciates Bridgeman's frank statement of his views. You may inform him

unofficially that the American delegation at Geneva is fully aware of the desirability of the three chief naval powers maintaining united front in discussions now going on at Geneva.

KELLOGG

500.A15/483 : Telegram

The Secretary of State to the Chief of the American Representation on the Preparatory Commission (Gibson)

[Paraphrase]

WASHINGTON, April 11, 1927—2 p. m.

114. Your No. 227, April 10, 6 p. m. The Department, as might be expected, disagrees entirely with Boncour's position that to continue discussion of other phases of draft convention would be futile without an agreement on naval matters. If, however, an adjournment is desired, the Department perceives no objection.

No conflict with the Three-Power Naval Conference is to be feared, in any event, as the Department has maintained the feasibility of carrying on these conversations during the work of the Preparatory Commission.

KELLOGG

500.A15/487 : Telegram

The Chief of the American Representation on the Preparatory Commission (Gibson) to the Secretary of State

GENEVA, April 11, 1927—11 p. m.

[Received April 12—1:50 a. m.]

230. My 229, April 11, 10 p. m.³⁹ Without any previous warning to me, Cecil injected the subject of the forthcoming Three-Power Naval Conference squarely into the Commission's discussions at the outset of this morning's session. While stating that he was prepared to abandon the British contention that only shore-based aircraft should be limited, he made the expressed proviso that this should not prejudice any discussions to be had or decisions to be reached at the forthcoming Conference and the general tone of his remarks in this connection at least laid them open to the interpretation that in naval matters the three powers in question were more concerned with what might happen at the said Conference than with the present labors of this Commission. In his reply Boncour took note of this and although he did not overemphasize the point, referred to "the approaching Conference which hovers above all our work here." Saito⁴⁰

³⁹ Not printed.

⁴⁰ Japanese delegate on the Commission.

said that he would not have permitted himself to refer to this subject if Cecil had not already done so but that he now felt that he might properly do so. He then spoke in laudatory terms of the Washington Conference, the way it had been carried out, the complete appreciation in his country of the high purpose of President Coolidge in calling this new Conference and the independent and unconflicting nature of the latter with respect to the work of this Commission.

In a brief speech I declared that although I could not believe that my colleagues were under any misapprehension, yet as the matter is such a vital one I wished if any such misapprehension existed completely to dissipate it. I quoted from the memorandum annexed to the President's message of February 10th⁴¹ showing that our delegation was under instructions to work wholeheartedly for the success of this Commission and that the conception of a further Naval Conference was as stated "in addition" thereto. I assured my colleagues that our delegation had never deviated from these instructions and that its efforts to contribute to the conclusion of a satisfactory agreement here were not in the remotest degree subordinated to preoccupation over what might eventuate in the forthcoming Conference. I added that we were judging every question that comes before us here strictly on its merits but that I should be lacking in frankness did I not make it clear that our deep-rooted conviction of the essential soundness of the principle of limitation by categories necessarily constituted for us a dominant factor in considering the merits of methods of limitation of naval armaments.

GIBSON

500.A15/493 : Telegram

The Chief of the American Representation on the Preparatory Commission (Gibson) to the Secretary of State

GENEVA, April 13, 1927—1 p. m.

[Received April 13—11:55 a. m.]

234. My 233.⁴² Statement follows:

"Mr. President: The French and British draft conventions which we have now been engaged in examining for the past fortnight have unquestionably constituted a noteworthy contribution to the solution of the disarmament problem. Whereas in last year's stage of the work of the Preparatory Commission and its subcommissions we were necessarily engaged in the discussion of technical questions, these drafts now embody not only the attitude taken on technical questions, but also the political views of various Governments as to the most prac-

⁴¹ Memorandum transmitted in telegram No. 25, Feb. 3, 7 p. m., to the Ambassador in France, p. 1.

⁴² Telegram dated Apr. 13, noon: "My 214, April 4, 8 p. m. Made statement this morning."

tical methods of solution of the actual problem of the limitation and reduction of armaments. During the course of our present deliberations many delegations have again found occasion to reaffirm their technical views on points under discussion; nevertheless we are becoming more and more engaged in consideration of the still more difficult and involved political problems which the preparation of a final draft convention necessarily presents. The American delegation has not felt that it could usefully submit an additional draft convention but it has welcomed the presentation of the drafts now before us which are of the greatest value in that they indicate how far certain Governments are disposed to go, and, further, the methods which they feel can best solve the question at issue. In a general way the drafts before us indicate certain schools of thought which have been developed in the course of lengthy discussions as to the most acceptable methods of limiting and reducing armaments. It might best serve the avowed purpose of these drafts and facilitate the work of the Conference if I offered at this time certain frank comments on a type of provisions common to both of them. I refer most particularly to those provisions in both drafts which envisage utilizing the machinery and authority of the League of Nations in carrying out the provisions of a final treaty.

During the general discussion it was clearly the obvious conviction of many delegations that the solution of the armaments problem can best be found through utilizing in full measure the machinery and authority of the League of Nations. My Government, however, is deeply and genuinely sensible of the friendliness and good will which was shown throughout the general discussion in an effort to deal in a practical manner with the problem created by the fact that the United States is not a member of the League of Nations. As was brought out in the discussion, this fact constituted a difficult problem. I am confident, however, that if this problem cannot be solved it will be through no lack of careful study and good will. There are other governments which are not members of the League but the American Government is the only one of them which is here represented. The fact that my Government is not a member imposes very definite limitations as to the undertakings which it is in a position to give in connection with a convention of this sort. In the course of the discussions in the Preparatory Commission and its subcommissions it has repeatedly been made clear that any convention, in order to be acceptable to my Government must take full account of the fact that it cannot accept the jurisdiction of the League and further that it is not in a position to subscribe to international agreements based on supervision or control.

It will be recalled that in the discussions above referred to the delegates of the United States, as well as those of the British Empire, Chile, Italy, Japan and Sweden, set forth their views that any form of supervision or control of armaments by an international body would be extremely complicated and impractical; they also affirmed their conviction that such measures would be more calculated to foment ill will and suspicion between states than to create the spirit of international confidence which should be one of the most important results of any agreement for the reduction and limitation of armaments, and that the execution of any convention must depend upon the good faith of nations scrupulously to carry out their treaty obligations. I will not

take up the time of the Commission in reviewing the detailed objections of these delegates to any such form of supervision or control, but I should be wanting in frankness if I did not make it clear that our non-membership in the League is not the only reason for our unwillingness to accept measures of this character. We are opposed to them primarily because we believe them unsound and unworkable. We cannot divest ourselves of the idea that the only practical way to disarm is actually to disarm, and that the most effective sort of treaty is one which specifies the disarmament provisions upon which governments are able to agree and leaves to their good faith the enforcement of these provisions. In this connection I desire to remind the Commission that there is a disarmament treaty which has now been in effect for four years and which, dependent for its enforcement solely upon international good faith, has been observed by all the high contracting parties in the most faithful and scrupulous manner.

I trust it will be understood that I am not attempting to open up again the whole question here involved but I believe it, however, my duty to state fully and frankly the opinion of my Government as to the best method of enforcement of international conventions irrespective of the consideration that it is not a member of the League of Nations. Nevertheless, this nonmembership is a fact which bears upon the framing of any convention in which my Government is to take part and I feel it advisable at the present moment once more to call attention to this fact.

A number of my colleagues have referred in very friendly terms to their anxiety to draw up a text which can be accepted by my Government. Monsieur Paul-Boncour in his admirable presentation of the French draft described the efforts he had made to reconcile his belief in the efficacy of the League authority with his desire to bring America into the final treaty. We are deeply sensible of his friendly spirit. In examining Lord Cecil's draft it is obvious that he has been animated by the same spirit. My Government on its part is most anxious to find some solution of the problem which will enable it to accept a draft convention which commends itself to the other members of this Commission as effective and desirable.

I realize that there is a broad difference in the possible types of conventions which might be drawn up. On the one hand there is the type of convention, which some delegations here might be ready to accept, in which they would utilize in a very extended form the authority and supervision of the League. At the other extreme is the form of convention which would be acceptable to my Government, namely, a general international convention binding as between the contracting parties and depending for its fulfillment solely upon international good faith and respect for treaties without recourse to any international agency for its enforcement.

I have already set forth, and I trust with adequate clarity, the reasons why my Government is opposed to any measures of international supervision and remains firmly of the opinion that any attempt to control, direct, investigate, or inquire within the territory of a high contracting party will inevitably tend to foster mistrust and suspicion and take us farther away than ever from our common goal. I am, therefore, constrained once more to affirm the belief of my Government that a convention of the kind which we are now

attempting to frame should confirm [*confine?*] itself to provisions of disarmament pure and simple, leaving its enforcement to the good faith of each Government. Nevertheless I fully recognize the fact that all the other members of this Commission are at the same time members of the League. If they are able to reach agreement among themselves on measures for utilization of League machinery and believe that they will be efficacious we would not stand in the way of their adopting such measures as they may deem desirable, no matter how impractical they may appear to us. If, therefore, all the other Governments here represented desire the machinery of an international body to deal with the enforcement of the treaty, and insist upon it for themselves, and if any way can be found to accomplish what they desire for themselves and at the same time to eliminate the feature of international machinery so far as the United States is concerned, my Government is ready to cooperate with them in a sincere endeavor to solve that problem."

GIBSON

500.A15/486 : Telegram

*The Secretary of State to the Chargé in Argentina (Cable)*⁴³

[Paraphrase]

WASHINGTON, April 13, 1927—4 p. m.

16. During the meetings of subcommission A, Preparatory Commission for the Disarmament Conference, Argentine representatives associated themselves with the representatives of the United States, Great Britain, Japan, and Chile in a declaration which supported proposal to limit naval floating material by classes of ships (the method followed in the Washington Conference on Limitation of Armament) in contradistinction to French thesis of limitation of total tonnage only.

Our representation on Preparatory Commission at Geneva has telegraphed⁴⁴ that at Commission's meeting on April 11 Argentine representative declared, to Gibson's surprise, that he accepted a modified French proposal; meaning of this action is abandonment by Argentina of thesis of limitation by classes.

You will endeavor discreetly to ascertain reasons for apparent change of front; also if it was result of instructions. Bring matter informally to attention of Minister for Foreign Affairs and inform him of your surprise that abandonment in this way of our common position should so suddenly take place.

KELLOGG

⁴³ Similar instructions, in regard to similar action taken by Chilean representative, were sent to the Embassy in Chile in telegram No. 18, Apr. 13, 4 p. m.

⁴⁴ No. 229, Apr. 11, 10 p. m., not printed.

500.A15/505 : Telegram

The Chargé in Argentina (Cable) to the Secretary of State

[Paraphrase]

BUENOS AIRES, April 20, 1927—3 p. m.

[Received 7:40 p. m.]

40. Department's No. 16, April 13, 4 p. m. I found it impossible, because of Easter vacation, to obtain the information desired until yesterday. I have now learned that Perez, the representative of Argentina, in accepting the French proposal on April 11 was acting under instructions from his Government. I was informed by the Minister for Foreign Affairs, Doctor Gallardo, that the revised French thesis, which permitted four classifications of naval units, met the Argentine requirements and accordingly their representative at Geneva had been instructed to accept in principle the French proposal. The Minister for Foreign Affairs further stated that, owing to the lack in the Argentine Navy of modern light units and the absorption of tonnage by their two dreadnaughts, which would curtail the units desired by them, they originally had refrained from supporting the French plan. My personal impression is that the contemplated Argentine naval program is responsible for the decision and the instructions issued by the Ministry.

A confidential conference was held in the afternoon of yesterday between the Ministers of Finance, Marine, and Foreign Affairs. It is believed that the financing of the proposed naval program must have been the subject of this conference. See the last paragraph of my telegram No. 38.⁴⁵

CABLE

500.A15/519 : Telegram

The Chief of the American Representation on the Preparatory Commission (Gibson) to the Secretary of State

GENEVA, April 26, 1927—9 p. m.

[Received April 26—7:40 p. m.]

260. Preparatory Commission adjourned this evening. In closing speech President singled out American delegation alone for warm tribute to our helpful attitude which had promoted good understanding. He alluded to the forthcoming three-power conversations as calculated to facilitate the further approach to the problem of disarmament.

GIBSON

⁴⁵ Not printed.

500.A15/534 : Telegram

The Ambassador in Chile (Collier) to the Secretary of State

SANTIAGO, May 16, 1927—4 p. m.

[Received 8:50 p. m.]

65. Upon the day of receipt of your 18, April 13, 4 p. m.,⁴⁶ I went to Foreign Office to get necessary information. Sickness of Minister for Foreign Affairs delayed consideration several days, then Under Secretary assured me Chile's policy since prior to last Pan American Conference⁴⁷ had been limited by categories and he did not believe personality had changed but he would consult Navy Department in which instructions originated. This was subsequently confirmed by Minister for Foreign Affairs. A few days ago Under Secretary gave me a memorandum stating that, though Chilean policy had not changed, its Navy Department had construed the French proposition as a compromise fixing limit for total tonnage with a liberty of varying within it the limit fixed for each class, thus serving what the memorandum calls "a freedom for the distribution of tonnage". This was a desire entertained by Chile even at the time of Pan American Conference. The memorandum of Under Secretary of Foreign Affairs says he believes that there is a contradiction between the terms "limitation of tonnage by categories" and "distribution of tonnage among the different types of ships" and that as a result of this misunderstanding Chilean policy had been changed. By this the Under Secretary evidently meant that instructions inconsistent with Chilean fixed policy had been given. The Under Secretary of State for Foreign Affairs communicated these views to Under Secretary of the Navy who in turn consulted General Staff of Navy whose reply had not been received at the time the memorandum was handed me a few days ago. Yesterday Under Secretary of State for Foreign Affairs told me Under Secretary of the Navy told him that evidently the French proposal had been misconstrued and the Chilean delegate had been erroneously informed but that shortly correct instructions would be given to oppose all propositions inconsistent with the idea of limitation by categories. Under Secretary of State for Foreign Affairs has promised to send me copy of memorandum of Navy Department or its proposed instructions as soon as received by him. I will send full text of his memorandum in the next pouch.⁴⁸

COLLIER

⁴⁶ See footnote 43, p. 203.

⁴⁷ Fifth International Conference of American States. For proceedings, see *Report of the Delegates of the United States of America to the Fifth International Conference of American States* (Washington, Government Printing Office, 1924).

⁴⁸ Despatch No. 1081, May 21, not printed.

500.A15 a 1/524 : Telegram

*The Chairman of the American Delegation to the Naval Conference
(Gibson) to the Secretary of State*

[Paraphrase]

GENEVA, August 1, 1927—noon.

[Received August 2—3:19 a. m.]

148. In conversation with one of the members of our delegation this [last?] evening, Clauzel, one of the French *Mission d'Information*, stated that, if the Naval Conference should fail, necessity would arise of postponing meeting of the Preparatory Commission scheduled for next November, and that he intended to consult Cecil in regard to this. It was suggested to him that until Naval Conference adjourned it seemed somewhat premature to discuss matter. Clauzel said he appreciated that fact but that he would like to speak to us about it after the meeting Thursday. . . .

GIBSON

500.A15 a 1/524 : Telegram

*The Secretary of State to the Chairman of the American Delegation to
the Naval Conference (Gibson)*

[Paraphrase]

WASHINGTON, August 2, 1927—4 p. m.

89. Your No. 148, August 1, noon. The Government of the United States was not responsible for calling the Preparatory Commission and should not be responsible for the Commission's discontinuance or postponement. That is a matter which is entirely in the hands of the League of Nations. If continuation is desired we shall attend and if they wish to postpone we shall make no objection, but they must take the responsibility. We do not have any affirmative suggestions to make and we do not wish to enter into any agreement on the subject.

KELLOGG

500.A15c/3 : Telegram

The Secretary of State to the Ambassador in Belgium (Gibson)

WASHINGTON, October 20, 1927—10 a. m.

53. The report of the Third Committee of the League Assembly, dated September 23, 1927, designated A.108.1927.IX, contains, on page 5, section 3, what amounts to an agenda of a committee on security to be created by the Preparatory Commission during its next meeting in November, at which short meeting the United States will be represented by Wilson.

Please telegraph your suggestions and comments regarding the attitude of the American delegation to the Preparatory Commission concerning the formation of the proposed security committee and possible American representation on this committee.

KELLOGG

500.A15/592

The Minister in Switzerland (Wilson) to the Secretary of State

No. 144

BERNE, October 25, 1927.

L. N. No. 985

[Received November 12.]

SIR: I have the honor to transmit herewith a communication from the Secretary General of the League of Nations dated October 24, 1927, (C. L. 137 (a) 1927 IX),⁴⁹ in which Sir Eric brings to the attention of the Department paragraphs of the resolution of the Assembly and of the decision of the Council providing that states, non-members of the League of Nations represented on the Preparatory Commission may, if they so desire, sit on the Committee indicated in paragraph three of the Assembly's resolution of September 26, 1927, relative to the work of disarmament.⁵⁰

I have [etc.]

For the Minister:

LEON H. ELLIS

Secretary of Legation

500.A15c/5: Telegram

The Ambassador in Belgium (Gibson) to the Secretary of State

BRUSSELS, October 27, 1927—1 p. m.

[Received 5:30 p. m.]

76. Department's 53, October 20, 10 a. m. As a practical matter I do not see how an American representative could participate fully in work of Security Committee. On the other hand I feel that it would be unfortunate and afford pretext for criticism if we were to adopt attitude of complete aloofness. Would it not avoid these extremes and evidence friendly interest if Wilson were to accept invitation to sit on Security Committee explaining that while he could not, in view of our nonmembership in the League, join in written recommendations

⁴⁹ Not printed.

⁵⁰ Resolution No. 5, printed in League of Nations, *Official Journal*, October 1927, p. 1483. The resolution provides, in part, that: "This Committee would be placed at the Commission's disposal and its duty would be to consider, on the lines indicated by the Commission, the measures capable of giving all States the guarantees of arbitration and security necessary to enable them to fix the level of their armaments at the lowest possible figures in an international disarmament agreement."

to Council or Assembly, he would be glad to follow proceedings and give from time to time, as they might be desired, our views on matters of interest to the other members of the Committee.

GIBSON

500.A15c/5 : Telegram

The Secretary of State to the Ambassador in Belgium (Gibson)

[Paraphrase]

WASHINGTON, November 8, 1927—6 p. m.

54. Your 76, October 27, 1 p. m. By resolution of the Assembly and of the Council of the League of Nations, the Preparatory Commission is requested to create a subcommittee or commission composed of representatives of all the states participating in the Conference. Consideration of the subjects of security and arbitration is the declared object. It appears from a reading of the resolutions both of the Assembly and of the Council together that scope of inquiry is broad one; that it includes mutual covenants and guarantees of security, treaties of arbitration both bilateral and multilateral, and also question of sanctions for enforcement of covenants and guarantees. Evidently whole subject of Geneva protocol of 1924 is in this way sought to be opened again, with a view as well, perhaps, to wider application of Locarno formula.⁵¹ Conclusion is difficult to avoid that this proposal is wide departure from (at least, striking enlargement of) purposes of Preparatory Commission as these were originally laid down. If proposal be adopted, it would virtually establish a parallel organization to Preparatory Commission. Assembly's resolution clearly expresses opinion that work of Preparatory Commission is practically in suspense and that further progress cannot be made until problem of security is worked out. It appears that League, instead of taking up problem of security as strictly a League matter as has been its practice heretofore, is adopting rather peculiar expedient of attempting to work problem out through and under Preparatory Commission. Whether or not this procedure is merely device to bring this Government into that discussion, it is certain that the United States cannot, in any event, enter into mutual covenants that guarantee security or undertake to use either its military or naval forces in the application of sanctions or sign arbitration treaties such as European nations seem to regard as essential to their particular needs. We are inclined to believe, under these circumstances, that this Government ought not to be drawn into negotiations of this nature, and that should the Preparatory Commission resolve itself, in effect,

⁵¹ See *Foreign Relations*, 1925, vol. I, pp. 16 ff.

into a conference on the subject of security and sanctions, we should have to consider possibility of withdrawing altogether.

Our present judgment (on which we should like to have your opinion) is that of course Wilson should be authorized to attend forthcoming meeting of Preparatory Commission but that he should be instructed to take no part in organization of proposed Security Commission or to accept a place on that Commission on behalf of the United States.

At same time it should be made plain that this Government intends to continue its representation on Preparatory Commission, participating in deliberations of that body and rendering assistance that it can in connection with the matters embraced in the original agenda. If Security Committee is eventually to report to Preparatory Commission, question of what course this Government would feel obliged to follow in that contingency would naturally command our consideration at that time.

KELLOGG

500.A15c/12 : Telegram

The Ambassador in Belgium (Gibson) to the Secretary of State

[Paraphrase]

BRUSSELS, November 10, 1927—5 p. m.

[Received November 10—5 p. m.]

79. Department's No. 54, November 8, 6 p. m. I consider it important that we be represented on Security Committee as discussions in that Committee will be constantly referred to in subsequent sessions of Preparatory Commission. This in no way commits us, as discussions in Security Committee will be of purely preparatory character like those of Preparatory Commission; when strictly League of Nations questions are discussed our representative can make our nonparticipation clear by a reminder of our nonmembership, as we have always done in such cases in the past. The Committee will doubtless involve itself in inconclusive discussions regarding application of the Covenant and revival of the Geneva protocol. Our representative, in that event, will automatically revert to role of observer. He will be in position, however, to correct any misstatements which will be made from time to time.

Should we refuse to participate, past experience justifies belief that effort will be made to convince public opinion that it was with a desire to further consideration of disarmament that Security Committee had been set up to devise some method of creating security that would be acceptable to the League and the United States alike; and that because of our prejudice against the League of Nations, we had refused even

to listen to the discussion and that we had thereby blocked effectively any further progress. We avoid this by having someone present and letting the others demonstrate that they are not able to agree among themselves upon any security measures.

The Department might consider giving authorization to Wilson to point out that several years ago we joined in a four-power treaty⁵² and that we consider this treaty (as we hope that the other signatories also consider it) is entirely adequate for security in its special terminology; and also that having accomplished this to meet our own needs we view the endeavors of the continental powers to solve their difficulties with the greatest sympathy. To do this would focus attention on that important treaty, would show our sympathy for the efforts of others, and would afford opportunity to indicate how they must work out their problem as a practical matter as we have done. A statement of this sort, carefully prepared, could demonstrate effectively that there is no justification for any attempt to hide behind our skirts and to assert that the nations of Europe cannot reach agreements among themselves for the reason that we will not accept League jurisdiction.

Of course, I agree that the discussions in the Committee might assume a character which would make desirable our withdrawal altogether from the Committee, but before that step is decided upon it seems to me that it is desirable to get some of the foregoing ideas clearly on record.

GIBSON

500.A15/592 : Telegram

The Secretary of State to the Minister in Switzerland (Wilson)

[Paraphrase]

WASHINGTON, November 15, 1927—noon.

94. You are instructed to attend forthcoming session of Preparatory Commission⁵³ as Chief of the American Representation. You will be assisted by Mr. George Anderson Gordon, first secretary of embassy at Paris, Mr. Jay Pierrepont Moffat, first secretary of legation at Berne and Mr. S. Pinkney Tuck, consul at Geneva, to whom you should issue appropriate instructions.

When proposal is brought up for a Committee on Security and Arbitration in accordance with the Assembly's Resolution of September 26, confirmed by the Council on September 27, you should refrain from expressing any opinion on advisability of proposed action; when, in your discretion, it becomes necessary, inform Pre-

⁵² Treaty between the United States of America, the British Empire, France, and Japan, signed at Washington, Dec. 13, 1921; *Foreign Relations*, 1922, vol. I, p. 33.

⁵³ Fourth session, Nov. 30, 1927.

paratory Commission that in 1921 this Government concluded what might be denominated a security agreement with the Governments of Great Britain, France, and Japan for the Preservation of the General Peace and the Maintenance of Rights in Relation to Insular Possessions and Dominions in the Region of the Pacific Ocean. You may add that the Government of the United States believes, as we hope the other signatories believe, that this treaty is entirely adequate for security in its special field; that for that reason we look with greatest sympathy on endeavors of the continental powers to solve their difficulties in some similar manner, having recourse to machinery which is at their disposal. The fact is well known, furthermore, that the Government of the United States has always favored international arbitration and conciliation in principle and in practice; that it has entered into many bilateral treaties of arbitration and conciliation with various nations; that at any time it would be pleased to add to the number of these treaties which, if observed in good faith, it is believed will reduce to a minimum the danger of aggressive war. In view of its traditional policy of noninterference in European affairs and also in view of fact that it is not a member of the League of Nations, the American Government believes that it would be unable usefully to cooperate in the labors of the Committee the establishment of which is proposed. The American Government will be prepared, when a general disarmament conference may be called, to consider in light of its historic policy the recommendations made by a Security Committee working parallel with the Preparatory Commission, in whose labors this Government intends to continue its wholehearted cooperation.

In regard to Secretary General's note of October 24, forwarded with Legation's L. N. No. 985, October 25, you may inform Sir Eric Drummond that you have been instructed to attend forthcoming session of Preparatory Commission, and on that occasion you will express your Government's views on the proposed Security Committee.⁵⁴

KELLOGG

500.A15c/17 : Telegram

The Secretary of State to the Minister in Switzerland (Wilson)

[Paraphrase]

WASHINGTON, November 22, 1927—6 p. m.

97. It is my belief that American sympathy with all endeavors to encourage disarmament can be made evident without representation of the United States on the Security Committee.

⁵⁴ For statement made by Mr. Wilson, Nov. 30, 1927, see League of Nations, *Documents of the Preparatory Commission*, etc., Series V, p. 18.

If there are likely to be efforts made to throw on this Government the blame for a possible failure to obtain results, it seems that this could more plausibly be done if the United States were represented on the Security Committee as an active participant; for, by reason of the fact that the United States is not a member of the League of Nations and also because of other conditions peculiar to this country, it would be especially difficult to avoid appearance of obstructing Committee's deliberations in event that representatives of other nations made deliberate effort to put the United States in a false position.

Should there be representation by an observer only, appearance of obstruction might also be brought about by fact that an observer would not be, naturally, in a position to offer constructive suggestions; instead, he would be compelled to call attention to strict limits which circumstances impose upon extent of formal American cooperation.

At meeting of Preparatory Commission when creation of Security Committee is under discussion, you might propose, or arrange to have proposed in interests of closer understanding and cooperation that procès-verbaux of meetings of the Committee be made available to members of the Commission and likewise that the procès-verbaux of the Commission be made available to the Committee.

If the United States should not be represented on the Committee, misrepresentation of the American point of view would do little harm to this Government if not made public, and if it were made public it could be answered by appropriate statements to the press either at Geneva or here.

It is my opinion that a statement on the attitude of the United States, which embodies point 1 of Department's 95, March 22, 6 p. m., to Gibson, could be made if necessary at a subsequent meeting of the Preparatory Commission itself next year, or anyway at the final disarmament conference toward which both the Commission and the Committee will work.

In view of foregoing instructions, you will follow Department's instruction 94, telegraphed November 15, noon. Should it become desirable or necessary, in your opinion, you may add to your statement on the American position by pointing out analogy between attitude Gibson took at meeting of Preparatory Commission on April 13,⁵⁵ in regard to peculiar situation of this Government vis-à-vis question of League of Nations supervision and control of armaments and present position of the Government in regard to security pacts. Paul-Boncour,

⁵⁵ See League of Nations, *Documents of the Preparatory Commission*, etc., Series IV, p. 273.

you will recall, showed a clear understanding of position which Gibson took on supervision and control, and with which our attitude on security agreements is wholly consistent.

Repeat to Brussels by mail.

KELLOGG

500.A15/606 : Telegram

The Chief of the American Representation on the Preparatory Commission (Wilson) to the Secretary of State

GENEVA, December 3, 1927—3 p. m.

[Received December 3—10:30 a. m.]

5. Fourth session Preparatory Commission closed today. Security Committee meets on or about February 20th, Preparatory Commission March 15th.

WILSON

MEETING OF THE SPECIAL COMMISSION FOR THE PREPARATION OF A DRAFT CONVENTION ON THE PRIVATE MANUFACTURE OF ARMS AND AMMUNITION AND OF IMPLEMENTS OF WAR, GENEVA, MARCH 14-APRIL 25, 1927⁵⁶

500.A16/13

The Secretary General of the League of Nations (Drummond) to the Secretary of State

GENEVA, 17 December, 1926.

[Received December 31.]

SIR: I have the honour to inform you that at its sitting of December 9th, 1926, the Council of the League of Nations adopted the following Resolution:

“The Council,

“In view of the Resolution adopted by the Assembly on September 21st, 1926, with regard to the private manufacture of arms and ammunition and of implements of war,

“Decides:

“To refer the draft Convention prepared by the Committee to a special Commission composed of representatives of the present Members of the Council, on which representatives of the United States of America and of the Union of Sovietist Socialist Republics would be invited to sit, in order that this Commission may prepare a final draft which might serve as a basis for an international conference.

“This Commission is authorized to forward its final draft, through the Secretary General of the League of Nations, to all those States

⁵⁶ For action taken at this meeting, see League of Nations, *Report of the Special Commission to the Council on the Work of Its First Session* (C.219.1927.IX,—C.F.A.12.).

which were invited to attend the 1925 conference on the supervision of the international trade in arms and ammunition and in implements of war,⁵⁷ with a view to holding an international conference which might meet in Geneva in the autumn of 1927 if the general Disarmament Conference cannot take place before the eighth ordinary session of the Assembly”.

I enclose the Report of M. Benes, which was approved by the Council simultaneously with the above Resolution (Document C.701.1926.IX), as well as Document A.47.1926.IX, which contains the draft Convention mentioned in the Resolution and other documents referring to this question.⁵⁸

The preparation of a draft Convention for the supervision of the private manufacture of arms and ammunition and of implements of war was decided by the Council on December 12th, 1925, as the outcome of a Resolution of the Assembly of the League of Nations, in which the Assembly endorsed the declaration inserted in the Final Act of the International Conference for the Supervision of the International Trade in Arms and Ammunition and in Implements of War, to the effect :

“that the Convention of to-day’s date must be considered as an important step towards a general system of international agreements regarding Arms and Ammunition and Implements of War, and that it is desirable that the international aspect of the manufacture of such Arms and Ammunition and Implements of War should receive early consideration by the different Governments”.

The Assembly and the Council of the League of Nations have several times put on record the importance which they attach to the question of the supervision of the private manufacture of arms and ammunition and of implements of war in connection with that of the supervision of the international trade, and notably in the following passage of a report adopted by the Council on September 26th, 1925 :—

“The Council has taken note of the Resolution adopted by the Sixth Assembly on the supervision of the manufacture of arms and ammunition and of implements of war. The Council is aware, as pointed out in M. Guerrero’s Report, which was adopted by the Assembly, that this Resolution was prompted by two currents of opinion. On the one hand, all the Assemblies have shown a desire to put into operation the provisions of Article 8 of the Covenant with regard to the supervision of the private manufacture of arms and ammunition and of implements of war. On the other hand, at the Conference of May-June, 1925, on the Supervision of the International Trade in Arms and Ammunition and in Implements of War, there was a strong tendency to assert the equality of non-producing and producing States. The non-producing States pointed out that, as the Convention for the Supervision of International Trade subjected the purchase of arms to

⁵⁷ See *Foreign Relations*, 1925, vol. I, pp. 26 ff.

⁵⁸ Enclosures not printed.

the regime of publicity, the producing States must, in order to re-establish equality, accept the same principle of publicity by concluding a Convention on the supervision of manufacture”.

I beg to draw your attention to the passage in the enclosed Report in which the Council refers to the collaboration of your Government in the work to be undertaken :—

“Further, the Assembly has more than once recommended that the Government of the United States should be invited to assist in the preparation of the proposed draft convention; this assistance, we are happily entitled to hope will be forthcoming in view of the formal statements made by the representative of the United States of America at the Conference for the Supervision of the International Trade in Arms and Ammunition and in Implements of War”.

I therefore have the honour to invite you to appoint a Representative to sit as a member of the Special Commission created by the Council, as specified in the enclosed Report, to meet in Geneva on March 14th at 4 p. m.

I have [etc.]

ERIC DRUMMOND

500.A16/15b : Telegram

The Acting Secretary of State to the Chargé in Switzerland (Marriner)

WASHINGTON, February 23, 1927—7 p. m.

21. Please transmit the following to the Secretary General of the League of Nations in the usual informal manner.⁵⁹

“The Secretary of State of the United States of America refers to the note of the Secretary General of the League of Nations, dated December 17, 1926, in which he was good enough to invite the American Government to appoint a representative to sit as a member of a Special Commission created by the Council of the League of Nations, to meet at Geneva, March 14, 1927, to consider a draft convention with regard to the private manufacture of arms and ammunition and of implements of war, and to prepare a final draft which might serve as a basis for an international conference. It has been noted that the preparation of such a draft convention is stated by Sir Eric Drummond to have been decided upon by the Council of the League on December 12, 1925, as the outcome of a resolution of the Assembly of the League endorsing the declaration inserted in the Final Act of the International Conference for the Supervision of the International Trade in Arms and Ammunition and in Implements of War, the purport of which was that the international aspect of ‘the manufacture of such Arms and Ammunition and Implements of War’ should be given consideration by the different Governments.

It is further noted that Sir Eric Drummond draws attention to a passage in the Report adopted by the Council on December 9, 1926,

⁵⁹ Transmitted to the Secretary General on February 25.

which based the hope of American participation in the forthcoming meeting of the Special Commission upon certain statements made by the Honorable Theodore E. Burton, Chairman of the American delegation at the Conference for the Supervision of the International Trade in Arms and Ammunition and in Implements of War.

The statements of Mr. Burton to which reference is made were substantially to the following effect, viz: 1) that the United States Government has for many years collected and published statistics covering the production in this country of arms and ammunition, 2) that the United States would be willing to enter a suitable international agreement providing for the publication of such statistics by the governments parties thereto, 3) that such an agreement, to be effective, should cover the manufacture of arms and ammunition in both private and government factories.

The American Government believes that the principles enunciated by Mr. Burton would provide a sound basis for an international convention, and therefore has been pleased to designate the Honorable Hugh S. Gibson, American Minister to Switzerland, to attend the meeting of the Special Commission."

GREW

500.A16/21a

The Acting Secretary of State to the Minister in Switzerland (Gibson)

No. 598

WASHINGTON, February 28, 1927.

SIR: In addition to your other duties, you are hereby designated to attend, as the representative of this Government, the meeting of the Special Commission which is to meet at Geneva, March 14, 1927, to prepare a Draft Convention which might serve as the basis for an international conference with regard to the supervision of the private manufacture of arms and ammunition and of implements of war. The membership of this Commission, which has been formed pursuant to a resolution of the Council of the League of Nations, adopted December 9, 1926, will comprise representatives of the present members of the Council and of the United States. It is understood that the Soviet Regime has been invited to send a representative to attend this meeting, but has declined the invitation. A copy of the invitation extended to the United States Government by the Secretary General of the League, under date of December 17, 1926, and a copy of this Government's reply thereto, dated February 23, 1927, are transmitted herewith for your information.

You will recall the history of the efforts which have been made from time to time by the League of Nations to bring about an international conference and a resulting convention dealing with the problem of the private manufacture of arms and ammunition. Article 8 of the Covenant of the League of Nations provides *inter alia* as follows:

"The members of the League agree that the manufacture by private enterprise of ammunitions and implements of war is open to grave ob-

jections. The Council shall advise how the evil effects attendant upon such manufacture can be prevented, due regard being had to the necessities of those members of the League which are not able to manufacture the ammunitions and implements of war necessary for their safety."

This problem was discussed at the First Assembly of the League which requested the Council to instruct the competent Commissions of the League to investigate it without delay. The Permanent Advisory Commission, with whose constitution you are familiar, reached the following conclusions in February, 1921:

(1) No direct action other than that already provided for by the treaties of peace can be taken in the case of producing states against the right of their private factories to manufacture war materials.

(2) Even if at some future time measures were contemplated to diminish production, no action should be taken to prevent non-producing states from becoming producers if they had the will and the means.

In 1921 the Temporary Mixed Commission took up consideration of the problem.⁶⁰ It had before it two proposed methods of dealing with the subject:

- (1) The absolute prohibition of the private manufacture and,
- (2) The control of private manufacture.

Method (1) was rejected by the Commission as contrary to the interests of states which do not produce all the munitions they require. The Commission therefore decided to recommend a system of international control and suggested the following measures as likely to render that control more effective:

- (1) The prohibition of all export of arms without a special license from the Government of the exporting country;
- (2) The prohibition of all import of arms without a license from the Government of the importing country;
- (3) Such licenses to be published by the League of Nations;
- (4) No munitions or implements of war to be manufactured without a Government license, and, possibly, that such licenses should be published by the League of Nations;
- (5) Conversion of bearer shares of armament firms to nominal shares;
- (6) Armament firms to publish, at stated intervals, complete reports on their financial situation, and any contracts entered into by them;
- (7) An audit of the accounts of private armament firms;
- (8) No person interested in an armament firm to be permitted to hold stock in similar firms in other countries;
- (9) Such persons not to be permitted to publish, or hold stock in companies publishing newspapers;

⁶⁰ See League of Nations, *Report of the Temporary Mixed Commission on Armaments*, Geneva, Sept. 15, 1921 (A.81.1921.—C.321.1921), pp. 11-13.

(10) Non-nationals to be prohibited from holding stock in private armament firms;

(11) No patent relating to munitions or implements of war to be issued to non-nationals;

(12) No warship to be transferred from one flag to another without notice being given to the League of Nations.

It was realized, however, that to institute any system of control it would be necessary to base it upon an international convention. There appeared to be many difficulties in the way of framing such a convention, among them the traffic in arms which at that time was not regulated effectively. The Temporary Mixed Commission finally came to the conclusion that should the traffic in arms and munitions be subjected to a sufficient measure of supervision the continuation of private manufacture would be of little danger.

The efforts of the League were for that reason directed primarily to the formulation of an arms traffic convention rather than to the control of the private manufacture of arms.

Nevertheless, a considerable number of states members of the League consistently expressed the view that an arms traffic convention could never be fully effective unless it were accompanied by a convention supervising and controlling the private manufacture of arms. This view has not been shared by the United States which, while anxious to cooperate with all efforts which appeared calculated really to lead to the reduction or limitation of armament or to remove causes of international discord, did not for many reasons favor the elaborate and often impractical proposals that have been made looking to the control or supervision of the private manufacture of arms. As you are aware, the Arms Traffic Convention signed at Geneva, June 17, 1925,⁶¹ has not yet received the requisite number of ratifications and has not therefore come into effect. Certain countries which favored the simultaneous treatment of the problem of private manufacture with the problem of arms traffic have now advanced the belief that the arms traffic convention will prove ineffective if not totally useless unless a further convention regarding the private manufacture of arms is concluded. It is in response to this appeal that the Special Commission upon which you are to represent this Government has been created. In order that you may have clearly in mind the policy of this Government in regard to international agreements regarding the private manufacture of arms and munitions and may be in a position to explain and carry out that policy at the forthcoming meeting, you are advised as follows:

In its instructions to me while I was American Minister to Switzerland and in subsequent instructions to you in regard to participation

⁶¹ *Foreign Relations*, 1925, vol. I, p. 61.

in the meetings of the Temporary Mixed Commission during 1924,⁶² the Department pointed out that manufacture or production is not per se commerce and that Congress, under the interstate power, cannot control mere manufacture or production within the states. It was pointed out that Congress could, however,

(a) control production of arms in the District of Columbia and the territories and possessions of the United States, and

(b) prohibit shipment of arms in interstate commerce or foreign commerce except under Federal license.

In addition, it is clear that this Government may collect and publish at stated intervals statistics of arms and ammunition production.

During the course of the meetings of the Temporary Mixed Commission certain foreign members thereof persisted in bringing into the discussion the question of private manufacture. The American representative did not enter into such discussions at any time.

During the arms traffic conference, when the question of private manufacture was again raised—although it was not on the agenda of the conference—the Honorable Theodore E. Burton, Chairman of the American Delegation, made certain statements in regard thereto. These statements taken together set forth the policy of this Government in regard to a practical manner of dealing with this problem and indicate the limit to which this Government would be prepared to go in an international convention. The statements are quoted below for your information as they appear in League of Nations Publication A.13.1925 IX "Proceedings of the Conference for the Supervision of the International Trade in Arms and Ammunition and in Implements of War":

"This pending discussion on the subject of the manufacture of arms, and upon the subject of publicity for manufacture by producing States, is one of the greatest interest to the delegation from the United States.

"Some weeks ago I stated that it was the custom in our own country to publish statistics of manufacture. That is still our custom, and will be for years to come, and, in view of that fact, we should be willing to join in a Convention providing for publicity for producing states as well as for non-producing states. Having made that statement, I was of the opinion that it was for other delegates from other countries to follow it up by a concrete proposal if they so desired.

"I am aware of the objections that have been raised against doing anything in that way. It has been said that the present Conference was called merely to deal with the control of the trade in arms, of which the main feature is publicity. Let me call your attention, however, to the fact that if we adopt a liberal construction, control of statistics relating to producing countries is within the scope of this Convention. The objection has been raised by the non-producing

⁶² See *Foreign Relations*, 1924, vol. I, pp. 17 ff.

countries that any agreement would be ineffective if it applied to them only or applied particularly to them, and that, in order to secure their rights, statistical information must also be given as to production.

"It seems to me that we are authorized to give a liberal construction to the work which this Conference was called upon to do. We are not to be bound by any hard and fast rules. If, when the representatives of forty nations come together, a proposal or subject suggests itself, which is closely associated with the main question before the Conference, it is for us to act upon it, at least by adopting a resolution stating the sense of the Conference. I trust, Mr. President, that not merely in order to protect the non-producing states, but in order to secure an ampler result and to make a more progressive step, something will be done in this Conference in this direction." (Pages 299-300).

"... The point of view of the United States is already on record in some remarks made here yesterday week, and I welcome the proposal introduced by the Roumanian delegate in regard to publicity in the manufacture of arms. The only question that I ask is whether it goes far enough. I could not, however, favour postponement of the operation of this Convention until another is adopted. Postponement of good intentions until some other gathering may meet, or some other Convention be concluded, has been the graveyard of some of the best aspirations of the human race.

"We are here for a purpose. The Temporary Mixed Commission considered the question of joining up with our agenda a proposal regarding the private manufacture of arms. The Assembly approved the conclusion of that Mixed Commission that it was preferable to keep the two matters separate. It was with that understanding that the delegates came from the United States—that we were to do something here of which the central fact should be publicity. And now I must run counter to an opinion which is prevalent among lovers of peace in regard to the prohibition of the private manufacture of arms.

"Many of those in Europe and America with whom I have cooperated for years past in movements for peace think that the solution of their problems rests in the prohibition of private manufacture. They argue, that so long as private manufacture continues, there will be a powerful industrial interest, the prosperity of which will be promoted by war, and this they consider to be a barrier in the way of peace. They consider also that these private manufacturers have also been extremely skilful in the circulation of propaganda unfavorable to peace. Thus, they say, the manufacture of arms, munitions and implements of war should be restricted to Governments.

"Let me point out to you the fallacy of this argument. The private manufacture of arms and munitions is flexible and adapted both to peace and to war. It may consist of the manufacture of explosives and material for industrial purposes, of sporting arms which have nothing to do with war, to which can be added in time of conflict the manufacture of military arms. Take my own country as an example; the manufacture of munitions and military arms was negligible before the late Great War, but, during that period, private industry increased to enormous proportions; it has now fallen back to what it was before.

"Government manufacture and control, on the other hand, are inflexible and look to a state of war. It involves the maintenance of

a very considerable force, always engaged in the manufacture of implements of destruction. If that force is disbanded the nation is helpless, and there is always a strong interest in favour of maintaining in any form of Government activity a large force, expanding its operations to the maximum. Thus, I say that, at least in a country like the United States, the idea that the private manufacture of arms should be prohibited, and that such prohibition would promote peace, is a chimera. More than that, why should a Conference be called for the prohibition of private manufacture and leave the Governmental or public manufacture alone? Shall the respective Governments of the world, whether warlike or peaceful in their intentions, build huge structures to make arms, and at the same time prohibit the private manufacture? What of the private manufacturers, many of whom have the most pacific intentions? What have they done that there should be this discrimination against them? What hope have the lovers of peace in prohibiting private manufacture if Governmental manufacture may still go on to an enormous and unlimited extent? . . .”
Page 251.

The American Delegation at the Arms Traffic Conference signed the Final Act of that Conference in which was contained the following declaration:

“That the Convention of today’s date must be considered as an important step towards a general system of international agreements regarding arms and ammunition and implements of war and that it is desirable that the International aspect of the manufacture of such arms, ammunition and implements of war should receive early consideration by the different governments.”

In reply to a questionnaire received from the Secretariat of the League of Nations and prepared by a Committee of the Council on the subject of control of the private manufacture of arms and ammunition communicated to this government under date of January 9, 1926,⁶³ this Government replied on May 7 [17], 1926, as follows:

“The Secretary of State of the United States of America has received the communication of the Acting Secretary General of the League of Nations, dated January 9, 1926, transmitting a copy of a questionnaire concerning the control of private manufacture of arms and ammunition and of implements of war.

“In view of the fact that the Convention for the Supervision of the International Trade in Arms and Ammunition and in Implements of War has not yet been ratified this Government does not desire to make any comment on the questionnaire at the present time.”

This Government is not sanguine as to the possibility of reaching an international agreement which will effectively control whatever evils may be inherent in the private manufacture of arms. It cannot escape the conviction that many of the proposals which have been made for such conventions are in effect attempts on the part of gov-

⁶³ Not printed.

ernments which obtain their armament from government arsenals or government controlled factories to place at a disadvantage countries such as the United States which obtain the vast majority of their ammunition and war equipment from private enterprise. The draft convention prepared by the Committee of the Council and transmitted to this Government with the Secretary General's invitation of December 17, 1926, is for the most part unacceptable to this Government as a basis for an international agreement. There is transmitted herewith as an annex to this instruction a memorandum commenting in detail upon the provisions of the draft convention in question.

This Government decided to accept the invitation of the Secretary General to designate a representative to attend the forthcoming meeting for two principal reasons:

(1) It believed that a refusal to attend might be interpreted in certain foreign quarters, perhaps disingenuously, as an unwillingness on the part of the United States to cooperate in what purported to be a sincere effort to solve one of the companion problems of the general problem of disarmament. In view of this Government's participation in the Preparatory Commission to [*for*] the Disarmament Conference⁶⁴ and in the Arms Traffic Conference and of its long established policy of cooperating with all sincere efforts calculated to preserve the peace of the world and to remove the causes of war, it should give no ground for misunderstandings which might arise out of its refusal even to discuss the question of the manufacture of arms.

(2) The policy of this Government in regard to this question was clearly set forth by Mr. Burton, as noted above, and it was on the basis of Mr. Burton's statements that the Council of the League of Nations predicated the hope that the United States would be willing to attend the proposed meeting.

You are instructed therefore to make it clear at the meeting that the United States is prepared to consider the conclusion of an international convention which provides for the collection and periodic publication by the governments parties thereto of statistical information covering the production of arms and ammunition and implements of war. The specific arms and ammunition to be covered by such a convention would, in general, correspond to those in the categories established by the Arms Traffic Convention. A separate Memorandum on this subject is transmitted herewith, as an annex, for the purpose of guiding you in the more detailed discussion of this phase of the matter.

You should resist any effort to include in published statistics the names of manufacturers with details of their individual businesses and contracts. Such publication resulting from investigation would not be acceptable, so far as this Government is concerned.

⁶⁴ See *Foreign Relations*, 1926, vol. I, pp. 40 ff; also *ante*, pp. 159 ff.

You will observe that in this Government's reply, dated February 23, 1927, to the Secretary General's invitation, the intention of this Government not to go beyond the collection and publication of statistics is clearly indicated. You should take an early opportunity to reiterate this Government's point of view.

Although leaving the matter entirely to your discretion in the light of developments which may occur during the course of the forthcoming meeting, the Department suggests that it would appear to be unwise for you to allow yourself to be drawn into any detailed discussion of the various unacceptable provisions of the Draft Convention.

In case the position of the United States in refusing to agree to the proposed provisions, other than those covering the publication of statistics, is questioned or in any way attacked, the Department believes that you should confine your reply first to an allusion to this Government's reply to the League's invitation and second to a statement to the following general effect:

The Arms Traffic Convention has not yet been ratified and has not come into effect. The proposed draft convention for private manufacture presents an involved and complicated agreement, the provisions of which would be difficult if not impossible to administer and the necessity for which is not clear to the United States Government. The American Government believes that an adequate system of publicity as to production for both private and government factories will furnish valuable information to the governments signatories to the treaty. Such an agreement, in addition to the Arms Traffic Convention, will provide effective machinery for making known to the world any abuses either by individuals or governments in connection with the manufacture of or traffic in arms. If, when such agreements have been in operation, it is shown by experience that further and even stricter international agreements are necessary, it will then be appropriate to discuss what further measures are possible.

In this connection, the following remarks made by Lord Cecil at the 8th meeting of the First Sub Commission of the Temporary Mixed Commission at Paris on March 28, 1924 are of interest:

"Colonel Carnegie has said that a certain control over private manufacture would result from the convention on the control of the traffic. He personally agreed, but he thought that they would therefore be much better able to form a judgment after the coming into force of the said convention and that the question of private manufacture could only be finally settled in the light of the experience derived from the application of the convention on the traffic."

The American Government is particularly impressed by the danger involved in complicated and detailed international agreements, diffi-

cult to administer, the alleged breach of any technical provision of which would inevitably lead to international mistrust and ill-will.

Should an attempt be made to separate governmental from private manufacture you should insist that any agreement to be acceptable to the United States must cover both categories. In this connection, you may point out that such a provision would appear to be absolutely essential to make an international agreement for publicity useful since the contingency might arise wherein a government which followed the policy of manufacturing all of its military equipment in government arsenals might engage in practices very similar to those which are imputed to private manufacturers and condemned. A memorandum pointing out the distinction between the position of the United States Government and of certain other governments in regard to methods of supplying needs for military equipment is transmitted herewith as an annex to this instruction.

You will, of course, not join in any report which the Special Commission may make to the Council of the League of Nations. In this connection, you may advise the Commission that you will make your report to your government.

You should make it abundantly clear during the meeting that should the other nations represented on the Commission wish to recommend the formulation of a convention of a more elaborate nature this government would, of course, offer no objection, although it would naturally reserve its right to abstain from adherence to such a convention or to adhere to it with reservations in keeping with its announced and well known policy in the premises.

There is transmitted herewith, as an annex to this instruction, a memorandum covering in general the statistics of production of arms in the United States in recent years.⁶⁵ By reference to this you will observe that the United States has taken a very minor part in this type of business. You should emphasize these data in case an attempt is made to place upon the United States the onus for prospective failure of the Commission's work or any statements are made to the effect that a convention regarding arms manufacture could not be effective without American participation.

The above-mentioned memorandum further contains certain suggestions as to the statistical material that will be most readily and economically obtainable and also suggestions as to the frequency of collection and publication which should be provided for in any convention.

⁶⁵ Not printed.

There is transmitted herewith as an annex to this instruction a memorandum setting forth the existing law and practice of this government respecting the collection and publication of statistics and indicating the general authority of the government in the premises.^{65a}

I am [etc.]

JOSEPH C. GREW

[Enclosure 1]

Memorandum Commenting Upon the Preliminary Draft Convention Submitted to the Committee of the Council by the Committee of Inquiry

The following countries

Whereas the international trade in arms and ammunition and in implements of war is governed by the Convention concerning the Supervision of the International Trade in Arms and Ammunition and in Implements of War signed at Geneva on June 17th, 1925;

Whereas the International Conference which drew up the said Convention unanimously declared:

“That the Convention of to-day’s date must be considered as an important step towards a general system of international agreements regarding arms and ammunition and implements of war, and that it is desirable that the international aspect of the manufacture of such arms, ammunition and implements of war should receive early consideration by the different Governments”;

Whereas the international trade in arms and ammunition and in implements of war should be subjected to a general and effective system of supervision and publicity;

Whereas such a system is not provided by existing treaties and conventions in regard to manufacture;

Whereas the manufacture of arms, ammunition or implements the use of which in war is prohibited by international law ought not to be permitted for such purpose:

Have decided to conclude a Convention and have accordingly appointed as their plenipotentiaries:

(Here follow the names of the plenipotentiaries.)

Who, having communicated their full powers, found in good and due form,

HAVE AGREED AS FOLLOWS:

This preamble appears to be unnecessarily long and involved. It is believed that all necessary purposes could be served by a brief preamble somewhat to the following effect:

“Whereas it is desirable that the international aspect of the manufacture of arms, ammunition and implements of war should receive consideration” etc.

^{65a} Not printed.

Categories

Article 1

(Same as Chapter I of the Convention for the Supervision of the International Trade in Arms—document A.16.1925.IX, pages 5 and 6.)

This Article is satisfactory.

Supervision and Publicity

Article 2

For the purposes of the present Convention, private manufacture shall be considered to mean manufacture taking place in establishments of which the State is not the sole proprietor.

This Article should be eliminated, since any convention to which the United States would desire to become a party would necessarily cover both governmental and private manufacture.

Article 3

The High Contracting Parties undertake not to permit in the territory under their jurisdiction the private manufacture of the articles included in Categories I, II, III and IV and paragraph 1 of Category V without the written authorization of the Government.

This authorization shall be given in the form of a licence, which shall be valid for a period to be determined individually by each High Contracting Party and which shall be renewable for a further period.

This Article is not acceptable from the point of view of the United States. The constitutional possibility of establishing a licensing system for manufacturers of arms and ammunition is to say the least extremely doubtful. As has been pointed out in the body of the instructions it would probably be possible to require manufacturers to obtain Federal licenses to manufacture arms in the District of Columbia and in the Territories, and also to obtain licenses for inter-State or foreign commerce in arms and ammunition. The possibility of obtaining legislation of this character, however, seems so remote that it is not desirable for the American representative even to discuss the possibilities in this regard during the course of the coming meeting.

Article 4

The High Contracting Parties undertake not to grant a licence for the manufacture of the material referred to in Article 3 and to withdraw such licence if it has been granted to any firm which is in a position to influence a newspaper either because it holds a sufficient portion of its capital or because it conducts the management or any other part of its work, or because its directors, managers or high officials are in a position to exercise such influence.

The High Contracting Parties undertake to withdraw the licence of any holder who has advertised war material covered by Categories I, II and III or who has advertised war material covered by Categories IV and V in the special zones defined in Chapter III of the Convention concerning the Supervision of the International Trade in Arms and Ammunition and in Implements of War.

This Article is obviously unacceptable for the reason stated under the comments on Article 3. Further, the administration of the provisions contained in this Article or of other provisions directed substantially to the same end would appear to be almost impossible from a practical point of view. The most elaborate investigational machinery would be necessary to ascertain the connection of munition manufacturers with the press and it is not believed that an attempt in this direction would serve any practical or useful purpose.

The second paragraph of Article 4 seems likewise impossible to administer effectively.

Article 5

Each of the High Contracting Parties undertakes not to conclude any contracts for the supply of the kinds of war material enumerated in Article 3 with a private firm one or more of whose directors or managers are members of the legislature of that Contracting Party.

The provisions of this Article, while plausible on first sight, would not be acceptable. The war materials included in the Categories of the Arms Traffic Convention are manufactured in many types of industrial plants, some of which could not be termed strictly munitions factories. To endeavor to eliminate from consideration all manufacturing establishments capable of producing any of the articles included in the Categories, in which members of the Senate or the House of Representatives are directors or managers would be both unwise and impracticable.

Article 6

The High Contracting Parties undertake to publish within two months after the close of each quarter the licences granted during that quarter, together with the following particulars:

(a) The kind or kinds of war material which the holder of a licence is allowed to manufacture;

(b) The names, styles and addresses of the proprietor or proprietors in the case of enterprises belonging to a private individual or to the partners in a firm having a collective title, and those of the managers or directors in the case of enterprises organised as commercial companies;

(c) The names of all the enterprises with which the holder has concluded agreements or associations of any kind whatever, with a view to the production of the articles of war material for which the licence has been granted.

The High Contracting Parties also undertake to publish annually a report of each holder's operations relating to the manufacture of the

material for which the licence has been granted such report to be drawn up by the holder and verified by the High Contracting Parties.

The United States Government is in favor of a system of publicity for manufactures of arms and ammunition. It would appear, however, that a more appropriate system of publicity is provided for in Article 7 as noted below, than in Article 6. Eliminating the idea of licenses from Article 6, there remain merely the provisions that the names, styles and addresses of the proprietor or proprietors, partners, managers or directors of munition plants, be published, and that the existence of all munitions contracts be made known along with an annual report of the business of each munitions manufacturer.

It is not perceived how the publication of this information would be of great value to anyone save the competitors of the manufacturers in question. In so far as the trade of individual plants with foreign countries is concerned the Arms Traffic Convention provides adequate publicity.

Article 7

To complete the general system of publicity for armaments, irrespective of their origin, provided for in the Convention for the Supervision of the International Trade in Arms signed at Geneva on June 17th, 1925, the High Contracting Parties undertake to publish within two months after the close of each quarter a statistical return of the articles covered by Categories I, II and IV delivered or held in stock during that quarter.

This return shall be drawn up in accordance with the specimen form contained in Annex * to the present Convention and shall show under each heading of the said categories in Article 1 the weight, the number and the value of the articles manufactured under a licence. The first statistical return to be published by each of the High Contracting Parties shall be for the quarter beginning on the first day of January, April, July or October subsequent to the date on which the present Convention comes into force with regard to the High Contracting Party concerned.

The High Contracting Parties undertake to publish as an annex to the above-mentioned return the text of the provisions of all statutes, orders or regulations in force within their territory dealing with the manufacture of war material covered by Article 1, and to include therein all provisions enacted for the purpose of carrying out the present Convention. Amendments and additions to these provisions shall be likewise published in annexes to subsequent quarterly returns.

The provisions of the present article shall also be applied as far as possible to articles manufactured in establishments of which the State is sole proprietor.

This Article appears to be acceptable provided always that it is extended to cover the production of Government as well as private

* This Annex has not yet been examined by the Committee of Enquiry.
[Footnote in original draft convention.]

factories. The quarterly collection and publication of statistics as provided for in this Article, however, might involve an unnecessary expense that would not be justified by the object sought to be attained. It is believed that annual or semi-annual publication of these statistics would be adequate.

Article 8

The High Contracting Parties, in all cases covered by Category III, undertake to publish within two months after the close of each quarter a return for that quarter, giving the information detailed below for each vessel of war constructed, in course of construction or to be constructed within their territorial jurisdiction on behalf of the State:

(a) The date of the signing of the contract for the construction of the vessel, and the following data:

Standard displacement in tons and metric tons;

The principal dimensions, namely: length at water-line, extreme beam at or below water-line, mean draft at standard displacement;

(b) The date of laying the keel and the following data:

Standard displacement in tons and metric tons;

The principal dimensions, namely; length at water-line, extreme beam at or below water-line, mean draft at standard displacement.

This Article is acceptable.

Article 9

The articles covered by Category V shall only be subject to such publicity as may be prescribed by the national legislation.

This Article would appear to be acceptable.

General Provisions

Article 10

The provisions of the present Convention are completed by those of Annex * which have the same value and shall enter into force at the same time as the Convention itself.

The Annex to which this Article refers not being available it is impossible to make any comment thereon.

Article 11

The High Contracting Parties undertake to conclude no purchase contract for the supply of articles covered by Categories I, II and III in a State which is not a Contracting Party to the present Convention.

The apparent object of this Article is to force all countries to subscribe to the convention. It is believed that its inclusion in the con-

* This Annex has not yet been examined by the Committee of Enquiry.
[Footnote in original draft convention.]

vention would operate as a strong deterrent to ratification on the part of many Governments which would desire to preserve their liberty of action in regard to the purchase of war materials.

Article 12

In time of war the application of the present Convention shall be suspended as regards belligerents until the restoration of peace.

This Article is acceptable.

Article 13

The present Convention shall not be deemed to affect any rights and obligations which may arise out of the provisions either of the Covenant of the League of Nations, or of the Treaties of Peace signed in 1919 and 1920 at Versailles, Neuilly, St. Germain and Trianon, or of the Treaty limiting Naval Armaments signed at Washington on February 6th, 1922, or of any other treaty, convention, agreement or engagement.

It is believed that phraseology similar to that of Article 34 of the Arms Traffic Convention would be preferable in place of this Article.

Article 14

The High Contracting Parties will use their best endeavours to secure the accession to the present Convention of other States.

Each accession will be notified to the Government of the French Republic, and by the latter to all the signatory or acceding States.

The instruments of accession shall remain deposited in the archives of the Government of the French Republic.

Article 15

The present Convention may be denounced by any High Contracting Party thereto after the expiration of four years from the date when it came into force in respect of that Party. Denunciation shall be effected by notification in writing addressed to the Government of the French Republic, which will forthwith transmit copies of such notification to the other Contracting Parties, informing them of the date on which it was received.

A denunciation shall take effect one year after the date of the receipt of the notification thereof by the Government of the French Republic, and shall operate only in respect of the notifying States.

Should the Convention be denounced by one of the Powers whose ratification is a condition of its entry into force, any other High Contracting Party may also, within a period of one year from the date of such denunciation, denounce the Convention without waiting for the expiration of the period of four years mentioned above, and may require that its denunciation shall take effect at the same date as the first-mentioned denunciation.

Article 16

The High Contracting Parties agree that, at the conclusion of a period of three years from the coming into force of the present Con-

vention under the terms of Article 18, this Convention shall be subject to revision upon the request of one-third of the said High Contracting Parties, which request shall be addressed to the Government of the French Republic.

Article 17

The present Convention, of which the French and English texts are both authentic, is subject to ratification. It shall bear to-day's date.

Each power shall address its ratification to the Government of the French Republic, which will at once notify the deposit of such ratification to each of the other signatory Powers.

The instruments of ratification will remain deposited in the archives of the Government of the French Republic.

Article 18

A first procès-verbal of the deposit of ratifications shall be drawn up by the Government of the French Republic as soon as the present Convention shall have been ratified by the following Powers

The Convention shall come into force four months after the date of the notification of this procès-verbal by the Government of the French Republic to all signatory Powers.

Subsequently, the Convention will come into force in respect of each High Contracting Party four months after the date on which its ratification or accession shall have been notified by the Government of the French Republic to all signatory or acceding States.

The above Articles are unobjectionable.

[Enclosure 2]

Memorandum on the Categories and Statistics of the Proposed Convention

1. The categories appearing in the Convention for the Supervision of the International Trade in Arms and Ammunition and in Implements of War, signed at Geneva on June 17, 1925, should be taken without change as a basis for the categories to appear in the proposed Convention on the Manufacture of Arms, for the following reasons:

a. The proposed Convention is supplementary to the Arms Traffic Convention.

b. No reason exists for any distinction in regard to publicity of statistics for export of arms, etc., and for the manufacture of arms, etc.

c. The Arms Traffic Convention lays the basis for coupling private and Governmental production.

2. While it is realized that certain items appearing in the categories as laid down in the Arms Traffic Convention can serve no useful military purpose and in consequence such items might well be omitted, the danger involved in tampering with the categories as they now exist on account of the possibility of including additional items, is such that any attempt to alter or amend these categories should be opposed on the grounds indicated above.

3. As to the type of statistics to be provided for in the proposed Convention on the Manufacture of Arms, it is believed that the statistics required should be, in general, in a form corresponding to the type adopted in the Annex to the Arms Traffic Convention. Such statistics should, in general, be limited to totals and any effort to include the names of firms, either as producers or as purchasers, should be opposed as involving a danger of unfair competition and further as being an unwarranted interference with the industry concerned.

4. As regard the periods of time to be covered by the statistics in question, it is believed that publication at one year intervals is sufficient to serve the purpose of the proposed Convention. While an effort may be made to provide for publication of statistics in conformity with the provisions of the Arms Traffic Convention in regard to export, that is, publications within two months of the end of each quarter, it is believed that any publication at intervals of less than six months might involve so much labor and expense as to be prohibitive.

5. On the other hand, the Bureau of the Census is undoubtedly in a position to collect and publish statistics with as great efficiency as the statistical office of any other government. Therefore, while too frequent collection of statistics should be opposed as unnecessary and uneconomical, argument [*agreement?*] should be given if there is unanimous insistence on quarterly publication by the other governments.

6. Every effort should be made to restrict the required statistics to those of the production of combined articles. An effort to collect statistics of the production of component parts of many of the articles listed in the categories of the Arms Traffic Convention would entail an excessive amount of labor. If the inclusion of component parts is insisted upon, an effort should be made to enumerate such parts, and to include in this enumeration only the most important parts, essential to the use of the completed article for military purposes. For example, regarding fire control equipment, it might with justice be pointed out that statistics of the production of lenses suitable therefor might be sufficient, without requiring statistics of the other component parts.

[Enclosure 3]

Memorandum on Methods of Supplying Needs for Military Equipment

1. The position of the United States in regard to dependence upon private manufacture for the supply of its wartime needs in arms, ammunition, and implements of war is different from that of any other great Power. The United States is the only great nation which does not

maintain Government arsenals in time of peace for the supply of its wartime needs in arms, ammunition and implements of war. While the United States maintains six so-called arsenals, these plants are in reality little more than experimental laboratories. Under the most favorable conditions they can be expanded to an extent which will furnish only a small percentage of our wartime requirements in arms, ammunition, and implements of war. During the World War, Government arsenals as such furnished less than 9% of our munitions requirements. Over 91% of our munitions requirements were furnished by private manufacturers, either on a lowest bidder or cost plus basis.

2. There does not exist in the United States either the large Government arsenals such as are maintained by England, France, Japan, Italy, Czecho-Slovakia, and Spain, or the subsidized or quasi-Government plants such as Krupp, Creusot, Armstrong, Vickers-Maxim, Schneider, Mitsubishi, Samara, Skoda, etc. Such relatively small private munitions plants as we have owe their peacetime existence in the main to peacetime trade which for various reasons is comparatively small. It takes immeasurably longer to create a new industry in time of war than to expand an industry already in existence. This time element is influenced not so much by the time required to construct the plant as by the time necessary to procure and train the skilled personnel required in the highly technical operations of munitions production.

3. The above statement indicates clearly the necessity for coupling private and Governmental production in any convention whose purpose may be to exercise some measure of control upon the manufacture of arms, ammunition, and implements of war. Measures of restriction if applied solely to private plants would cripple the United States by affecting more than 90% of its source of supply. Such measures would affect other great nations relatively to a very much less degree.

4. The continuance of our present system of relying upon the private munitions industry for meeting war requirements is desirable for the following reasons:

- (a) Such a system is comparatively inexpensive.
- (b) Under such a system quantity production can be obtained with a reasonable degree of promptness in the event of an emergency.
- (c) Such industries are susceptible of prompt and satisfactory conversion to meet new conditions.
- (d) The private industries concerned can be engaged upon a variety of development and production within the same plant according to demands.
- (e) Under such a system the existence of reserves of material and trained technical personnel will be insured at least to a certain degree.

(f) Such a system develops well trained organizations composed of both personnel and means of production susceptible of quick expansion or development to meet unexpected or unforeseen demands and conditions.

5. On the other hand, the construction of Government arsenals of sufficient capacity to meet probable war requirements as to arms, ammunition, and implements of war under the War Department General Mobilization Plan would require an initial expenditure in excess of two billion dollars. The creation and maintenance of a war reserve of munitions capable of supplying our requirements under the War Department General Mobilization Plan from the beginning of an emergency until the time when production would meet probable war consumption, computed on a basis of expenditure such as existed in the World War, would involve the initial expenditure of a sum in excess of five billion dollars. This amount does not include the initial cost of production plants nor does it include costs incidental to storage. It should be noted that on a basis of a 5% annual turnover for depreciation and obsolescence, the maintenance of such a reserve would involve an annual expenditure of two hundred and fifty million dollars. Since this country is in no position to enter upon a scheme which would involve such colossal appropriations and expenditure, it seems obvious that the only solution in so far as our own country is concerned is to reject any steps which may tend to limit consideration to the private manufacture of arms, and insist that both private and Governmental production must be included. It should further be noted that no measures of restriction, control, or supervision other than those which may follow full publicity in regard to total production will be acceptable.

500.A16/18 : Telegram

The Minister in Switzerland (Gibson) to the Secretary of State

GENEVA, March 15, 1927—10 a. m.

[Received 11 a. m.]

177. Commission on Private Manufacture met last evening. Bernstorff chairman.⁶⁶ In the course of general discussion I made short statement of our views including necessity for publicity for both private and government manufacture. Italian delegate objected on the ground that his instructions did not permit him and the Commission was not competent to deal with government manufacture and was supported by legalistic arguments advanced by several other delegates.

⁶⁶ Count Johann Heinrich von Bernstorff, German delegate.

Belgian delegate, who warmly upheld my contention that both categories should be dealt with, suggested that inasmuch as certain phases of question would probably be considered by the Preparatory Commission and the final Disarmament Conference it might be well to make haste slowly with a view to seeing whether both categories could be dealt with either together or separately. I then stated that any agreement in order to be acceptable to us must provide publicity for both private and government manufacture and that if it was decided that the Commission could deal only with the one category I should be embarrassed in continuing. Japanese delegate said that his instructions definitely precluded him from discussing government manufacture but he expressed readiness to agree to delay in the hope of finding a solution. It was finally agreed that the chairman appoint subcommittee on which we are to be represented and that each delegation is to submit to this subcommittee its full views in order that they may be examined and an attempt made to reconcile them. It is not anticipated that there will be any future meetings the Private Manufacture Commission for the present.

GIBSON

500.A16/24 : Telegram

The Minister in Switzerland (Gibson) to the Secretary of State

GENEVA, April 21, 1927—4 p. m.

[Received 12:57 p. m.]

248. My 177, March 15, 10 a. m. Drafting committee met Tuesday afternoon. I had previously informed the chairman, Bernstorff, that as long as the committee was not prepared to consider a draft agreement providing publicity for government as well as private manufacture it was difficult for me to participate. As he made it clear that this condition could not be met, I did not attend meeting and confined myself to forwarding a memorandum to chairman commenting on secret [*secrecy?*] provisions of the draft agreement and emphasizing that any more detailed discussion thereof would be useful only if the essential principle of publicity for government manufacture were to be accepted.⁶⁷ As Commission is more or less evenly divided, question will probably be referred to June session of Council before further steps are taken.

GIBSON

⁶⁷ See League of Nations, *Report of the Special Commission*, etc., "Observations of the Representative of the United States," p. 13.

STATUS OF TREATIES CONCLUDED AT THE WASHINGTON CONFERENCE ON THE LIMITATION OF ARMAMENT, AND OF CERTAIN RESOLUTIONS ADOPTED BY THAT CONFERENCE⁶⁸

500.A4/587a

The Secretary of State to Diplomatic and Consular Officers

Diplomatic Serial No. 601

G. I. Consular No. —

WASHINGTON, May 12, 1927.

SIR: The Department takes occasion to summarize for your information the status of the several Treaties concluded by the Conference on the Limitation of Armament, held at Washington, November, 1921–February, 1922, as regards their ratification by the signatory Powers and as regards adherences thereto by non-signatory Powers; also the status, as regards adherence, to such of the Resolutions adopted by that Conference as provided for adherences by non-participating Powers. This instruction supersedes Diplomatic Serial No. 271, G. I. Consular No. [unnumbered] of May 31, 1924,⁶⁹ which is hereby cancelled.

TREATIES

I. Treaty between the United States of America, the British Empire, France, Italy and Japan limiting Naval Armament, February 6, 1922 (*Conference Report*, pp. 1573–1604)⁷⁰—

Ratifications deposited and Treaty effective, August 17, 1923.

II. Treaty between the United States of America, the British Empire, France, Italy and Japan relating to the Use of Submarines and Noxious Gases in Warfare, February 6, 1922 (*Conference Report*, pp. 1605–1611)⁷¹—

Awaiting ratification by France.

Adherences of non-signatory Powers not invited pending the coming into force of the Treaty.

III, IV and V. Treaty between the United States of America, the British Empire, France and Japan relating to their Insular Possessions and Insular Dominions in the Region of the Pacific Ocean, together with Declaration, signed December 13, 1921, and Supplementary Treaty, February 6, 1922 (*Conference Report*, pp. 1612–1620)⁷²—

Ratifications deposited and Treaties effective, August 17, 1923.

VI. Treaty between the United States of America, Belgium, the

⁶⁸ For papers relating to the Conference, Nov. 12, 1921–Feb. 6, 1922, see *Foreign Relations*, 1922, vol. I, pp. 1 ff.

⁶⁹ Not printed.

⁷⁰ *Conference on the Limitation of Armament, Washington, November 12, 1921–February 6, 1922* (Washington, Government Printing Office, 1922). Also printed in *Foreign Relations*, 1922, vol. I, p. 247.

⁷¹ Also printed in *Foreign Relations*, 1922, vol. I, p. 267.

⁷² Also printed *ibid.*, pp. 33, 36, 46.

British Empire, China, France, Italy, Japan, The Netherlands and Portugal relating to Principles and Policies concerning China, February 6, 1922 (*Conference Report*, pp. 1621-1629)⁷³—

Ratifications deposited and Treaty effective, August 5, 1925.

Adherences invited from Austria, Bolivia, Brazil, Chile, Denmark, Germany, Mexico, Norway, Persia, Peru, Spain, Sweden and Switzerland.

Adherences received from Norway (note of November 16, 1925); Sweden (note of December 5, 1925); Bolivia (note of November 21, 1925); Denmark (note of December 29, 1925); and Mexico (note of January 14, 1927).⁷⁴

VII. Treaty between the United States of America, Belgium, the British Empire, China, France, Italy, Japan, The Netherlands and Portugal relating to the Chinese Customs Tariff, February 6, 1922 (*Conference Report*, pp. 1630-1639)⁷⁵—

Adherences invited from Brazil, Denmark, Norway, Spain and Sweden, in accordance with a Resolution adopted by the Conference on February 4, 1922 (*Conference Report*, p. 1639; explanatory note).

Ratifications deposited and Treaty effective, August 5, 1925.

Adherences invited from Denmark, Norway, Spain and Sweden, August 6, 1925.

Adherences received from Denmark (note of August 27, 1925); Sweden (note of September 11, 1925); Spain (note of September 21, 1925); and Norway (note of September 23, 1925).⁷⁴

RESOLUTIONS

V. Resolutions regarding Extraterritoriality in China. (*Conference Report*, pp. 1642-1647)⁷⁶—

Adherences invited from Brazil, Denmark, Norway, Peru, Spain and Sweden.

Adherences received from Spain (note of November 7, 1922); Denmark (note of May 11, 1923); Sweden (note of June 8, 1923); Peru (note of August 22, 1923); and Norway (note of November 20, 1925).⁷⁴

XI. Resolution regarding Existing Commitments of China or with respect to China. (*Conference Report*, pp. 1654-1657)⁷⁷—

Adherences invited from Austria, Bolivia, Brazil, Chile, Denmark, Germany, Norway, Persia, Peru, Spain, Sweden, and Switzerland.

⁷³ Also printed in *Foreign Relations*, 1922, vol. I. p. 276.

⁷⁴ None of these notes printed.

⁷⁵ Also printed in *Foreign Relations*, 1922, vol. I, p. 282.

⁷⁶ Also printed *ibid.*, p. 289.

⁷⁷ Also printed *ibid.*, p. 296.

Adherences received from Switzerland (note of June 27, 1922); Chile (note of August 9, 1922); Spain (note of November 7, 1922); and Persia (note of November 21, 1922).⁷⁹

I am [etc.]

FRANK B. KELLOGG

AMERICAN REPRESENTATION AT THE WORLD ECONOMIC CONFERENCE, GENEVA, MAY 4-23, 1927⁸⁰

550.M1/42

The Chargé in Switzerland (Marriner) to the Secretary of State

No. 1055

BERNE, December 23, 1926.

L. N. No. 841

[Received January 7, 1927.]

SIR: I have the honor to refer to my telegram No. 137, of December 23, 1 p. m. 1926,⁸¹ and to enclose the text of the invitation (with attached document C.E.I.6) of the Secretary General of the League of Nations,⁸² inviting the United States to take part in the appointment of the members of the International Economic Conference which will be held on May 4th, 1927. It will be noted that the invitation specifies that each country is to appoint not more than five members, who may be accompanied by experts who will have the right to attend the proceedings of the Conference, but without the right to speak or vote, except by special permission. It likewise specifies that the expenses of the members and experts shall be borne by the respective Governments. The members of the Conference, although appointed by Governments, will not in any way bind their Governments nor be qualified to act as spokesmen of an official policy. The Secretary General would be grateful for a telegraphic reply to this invitation before the end of February, 1927.

I have [etc.]

J. THEODORE MARRINER

550.M1/58b : Telegram

The Secretary of State to the Chargé in Switzerland (Marriner)

WASHINGTON, February 7, 1927—5 p. m.

11. On February 5 President sent a message to Congress recommending that appropriation of \$15,000 be authorized to cover expenses of American participation in appointment of members of Economic Conference. He stated in part as follows:

"I consider it important that the Government of the United States participate in the appointment of members of this conference, not only

⁷⁹ None of these notes printed.

⁸⁰ For proceedings of the Conference, see League of Nations, *Report and Proceedings of the World Economic Conference*, vols. I and II (C.356.M.129.1927.II—C.E.I.46) (Geneva, 1927). See also League of Nations, *The World Economic Conference, Geneva, May 1927: Final Report* (C.E.I.44-1).

⁸¹ Not printed.

⁸² Enclosures not printed. For agenda of the Conference, see League of Nations, *Report and Proceedings*, vol. I, p. 9.

in order that this Government may be adequately informed of discussions in their relation to American interests but also in order that the American point of view may be duly presented and in the hope of contributing to the development of sound economic foundations of friendly intercourse and prosperity. The United States is taking its part in study of the problem of arms limitation at the invitation of the League of Nations. This country should also stand ready to aid in the study of means to promote economic progress.

This is not the occasion to discuss specific problems outlined in the agenda. It is sufficient to note that the conference contemplates an inquiry into important problems affecting American interests. This Government will have the benefit of its deliberations, but will not be bound by its results."

Mail text of the foregoing to Embassies London, Paris, Berlin, Rome and Brussels.

KELLOGG

550.M1/68

Memorandum by Mr. Wallace McClure, Assistant to the Economic Adviser

[WASHINGTON,] February 8, 1927.

On yesterday I had an opportunity to enter into conversation with Congressman Cordell Hull of Tennessee and took occasion to remind him of the fact that Dr. Thomas Walker Page, of the Institute of Economics, a member of the Preparatory Commission of the International Economic Conference, had telephoned to him in regard to this subject shortly after returning from Geneva, after attending the second session of the Preparatory Commission.

Mr. Hull expressed considerable interest in the subject, noting his pleasure in the fact that the President had sent a message to Congress asking for an appropriation with which to defray the expenses of American participation in the appointment of members of the Conference. When questioned as to what he considered to be the appropriate line of action for such a Conference to take, Mr. Hull confined his remarks almost entirely to the question of tariff barriers. He spoke at some length in regard to the desirability of a general reduction of import duties and appeared to feel that the tariff of the United States is the key to the entire world situation. When I suggested that perhaps concrete results from this Conference could scarcely go beyond the subject of equality of treatment in commercial matters, he expressed heartily his interest on this ground. He referred to speeches which he had made on the subject in 1916 and on subsequent occasions.

Mr. Hull expressed the opinion that the only danger connected with the desired appropriation would lie in the possible objection of some individual or individuals to its passage, with consequent delay and

possible failure because of the end of the session. He expressed the opinion that whatever Mr. Madden's Committee recommended would be adopted by the House.

Speaking in regard to an entirely different subject, Mr. Hull expressed the opinion that the action of the Democrats in defeating the Lausanne Treaty⁸³ was ill-advised; was the result of misunderstanding and propaganda, and would not result in getting a better treaty for the United States with Turkey.

W[ALLACE] McC[LURE]

550.M1/319

The Chairman of the American Delegation to the International Economic Conference (Robinson) to the Secretary of State

WASHINGTON, June 10, 1927.

MY DEAR MR. SECRETARY: I have the honor to lay before you, for presentation to the President, my report as Chairman of the American Delegation to the International Economic Conference held in Geneva.

I wish in particular to express my deep appreciation of the unfailing courtesy and support extended to the Delegation by the representatives of the State Department in Geneva.

I am [etc.]

HENRY M. ROBINSON

[Enclosure]

Report of the Chairman of the American Delegation to the International Economic Conference

The dislocation following the war resulted in instability in currencies, interruption of the usual flow of international credits, reduced production and difficulties of transport across frontiers; it was accompanied by unemployment and impaired purchasing power, with the further result that agriculture suffered from a loss of markets and lack of credits. These adversely affected the standards of living.

The several States, on the theory of protecting individual interests, undertook various devices of relief that in the majority of instances further retarded the natural flow of credits and trade.

The first concerted attack on this multiple problem was made at the Brussels Conference in September–October, 1920.⁸⁴ The work of this Conference was confined mainly to discussion on the problem of unstable currencies and established fundamental formulae for stabilization that have become effective in all but two important countries.

This Conference was followed by the "Expert Committees" set up by the Reparation Commission and the formulation of the Experts Plan

⁸³ See vol. III, pp. 765–766.

⁸⁴ See *Foreign Relations*, 1920, vol. I, pp. 88 ff.

for payment of reparations and the rehabilitation of the German economy.⁸⁵

Then followed the Conference at Locarno,⁸⁶ from which resulted the treaties which have tended materially to clarify the political situations in Europe.

It may be assumed to have been in the minds of international political and economic leaders in every country that the need existed of concerted discussion of various factors still contributing to the unstable conditions in Europe. The League of Nations called this International Economic Conference to discuss and advise upon some of the remaining questions.

From the date of the Brussels Conference to the date of this Economic Conference, continuous improvement has been in evidence throughout Europe in practically all social and economic conditions, naturally more marked in some countries than in others.

The Agenda recommended by the Preparatory Committee, and the documentation prepared at its request, has portrayed a condition of distress in Europe which in the view of the Delegation of the United States did not at the time of the Conference obtain in all lines of endeavour. The Agenda was based upon the commercial interdependence between nations, more particularly on the interdependence existing between the different countries in Europe. The facts developed and discussions had at the Conference emphasized not only the necessary interdependence of all the countries of the world, but the interdependence of the several social groups as well.

Within the limits fixed by the Agenda, in the main, discussion and the resultant recommendations revolved around European problems, though the general resolutions, for the most part, have world-wide application. No discussions were had on governmental debts, reparation or movements of population.

The Conference, looking forward rather than backward, confined its attention to tangible problems, viewing nothing as static, with full recognition that the weights of the various factors would change from time to time. Fundamental policies of national economy, such as free trade versus protection and nationalization of resources, were not included in the deliberations of the Conference. Recognizing the definite progress, almost to completion, of the stabilization of currencies on a gold basis, and that tariff levels were less important relatively than the rationalization of tariffs and also that nationalization of resources was more a domestic than an international question, the transactions of the Conference did not include a discussion on these subjects except incidentally.

⁸⁵ See *Foreign Relations*, 1923, vol. II, pp. 46 ff., and 1924, vol. II, pp. 1 ff.

⁸⁶ See *ibid.*, 1925, vol. I, pp. 16 ff.

The Members of the Delegation were greatly impressed with the men who were gathered at this Conference, brought together from every quarter to give their experience and information and contributing on every phase of economic life. Very helpful had been the work of the Preparatory Committee and the Economic Section of the League. This gave direction to the discussions and considerations; and with this start, the Conference, with its Advisors, supplemented and elaborated in a large degree the preparatory work and material.

The Permanent Secretariat of the League had made careful and well organized arrangements and the mechanism provided for carrying on the work of the Conference was admirable and effective.

The Members of the American Delegation were accorded full right and participation in the work of the Conference. The names of the Delegation of the United States, their several responsibilities in, and respective official connections with, the Conference, are set forth in Annex I. The Experts and Advisers of the Delegation of the United States had participation in the discussions and in the preparation of materials for the use of the Conference. The names of the Experts and Advisers who assisted at the Conference and of the Secretary and two Assistant Secretaries of the Delegation are set forth in Annex I.

The Conference developed the value of personal contacts with members of the several Delegations and also with the experts and advisers accompanying them. There were 194 Delegates and a larger number of Experts and Advisers, representing 48 countries. As a result of personal discussions, notable progress in clarification and standardization of the use of technical terms was achieved. Through personal discussions it became possible for the Delegates from different countries to weigh and value points of view of other countries. Furthermore, through personal discussion it became possible for Delegates to better differentiate between economic and political phases of questions.

It might be fair to say that the indirect discussions of the Conference may be of quite as lasting and general benefit as the resolutions passed. Many divergencies of opinion existed between Delegations and with Delegations; but in spite of these divergencies, there were evolved definite formulae for the relief of economic difficulties that still militate against international commerce.

At the opening of the Conference our Delegation was asked to give a statement on the character and probable causes leading up to the relatively prosperous position of the United States. Europe, which possesses rich and varied natural resources, has an area approximately that of the United States. The individual States of our country are geographically and physically as heterogeneous as the different States in Europe; but in trade and industry, we are a homogeneous whole, without barriers or currency differences. Europe, on the other hand

has a series of separate units, each contending for national economic independence. Both employers and workers have in the main adopted the policy of unrestricted output; and generally workers have accepted substitution of machines for hand labor, and employers in turn have compensated the workers with appropriate increases in wages. The conditions obtaining in our country have been important factors in the creation and maintenance of higher wage levels, resulting in higher standards of living and, in turn, in greater power of consumption and production. A comparison between the situation in the United States and the European countries has led certain economists to advocate an economic United States of Europe.

It developed in the Conference that "consumers' goods" were being used, even in Europe, at as high a rate per capita as prior to the war; but the production and consumption of "capital goods" was considerably lower and that this, in the main, accounts for unemployment and, in turn, had reduced wages and purchasing power to a lower level.

The discussion of the Conference further disclosed the fact that if the development of unused or inadequately developed resources throughout the world could be initiated and financed, increased consumption of capital goods would follow, with the result of reduction or elimination of unemployment, and the probable increase in the wage level and consumption of consumable goods.

The Conference divided itself into three committees on Commerce, Industry and Agriculture. Each of these divided itself into subcommittees for specialized discussion. In the Committee on Commerce the discussion revolved largely about trade barriers. A limited discussion on tariff levels disclosed the age old differences of opinion, but at the same time brought out the fact that even more important than relative differences in levels of custom duties was their frequent and abrupt alteration. Lack of continuity of policies, differences in the standards of classification, discrimination and other unequal treatments are more injurious than differences in tariff levels. No recommendation was made in respect of tariff levels but the support of all the members was secured approving the principle of "equality of treatment" and the "unconditional most-favored-nation" clause as well as an accord condemning the policy of artificial limitation of raw material exports. The resolutions will also disclose that existing trade barriers would be less harmful if general adoption could be obtained of improvements in practice resulting in simplification of customs formalities, standardization of tariff nomenclature and consolidation of customs charges and other technical improvements.

On rationalization in industry there was a full discussion; the principal differences grew out of the fact that the European workers regarded rationalization as likely to bring about increased unemploy-

ment. However, finally agreement was had on a formula based on experience of the countries in which rationalization had been most highly developed. The conference went on record in opposition to indirect and direct states subsidies, but without undertaking critical definitions of the terms, urging that subsidies should not be likely [*lightly?*] invoked.

In the discussions on Cartels, appeared also differences between workers and operators. In addition to this, the subject was relatively new and untried, so no accurate definition was possible.

We recognize that there are certain physical and geographical conditions in particular situations that might make it desirable and economical for some form of international industrial agreements to be made; but we are apprehensive of the dangers of restricted output and the tendency to monopolistic exploitation. The resolution on Cartels sets out most of the objections and points out that the success of Cartels will be conditional on the character and policies of the Management.

Early experience in the United States in agreements of a similar character resulted in restrictive legislation. Because of this and the conviction that governments would participate in Cartels, our Delegation felt that we could not by our actions approve international Cartels and we took a definite position against international Cartels with Governmental participation.

The Committee on Agriculture adopted resolutions in support of international extension of co-operative marketing, in favor of enlargement of agricultural credits in countries where these are still inadequate and urging the world-wide collection of comparable statistics on production, movement, stocks and consumption of farm products.

The full text of the resolutions reached by the Conference and in each case the degree of agreement reached is shown in Annex 2.⁸⁷

In conclusion we have appreciatively to acknowledge the contributions of the various departments of the Government in Washington. Before the departure for the Conference, sub-committees were set up to explore the questions set forth in the Agenda on which were experts from the following Departments of the Government, State, Treasury, Commerce, Agriculture, Labor and the United States Tariff Commission. These sub-committees held many meetings before the delegation convened in Washington. Before leaving Washington, the members of the Delegation had two meetings with the expert members of the sub-committees. In the eight days crossing the ocean the Members of the Delegation and the experts accompanying the

⁸⁷ Not printed. The resolutions are incorporated in the report of the Conference adopted on May 23, 1927. See League of Nations, *Report and Proceedings*, vol. 1, pp. 30 ff.

Delegation held fourteen meetings for the discussion of the documentation of the Preparatory Committee and all the facts and statistics developed by the sub-committees of experts relating to the economic position of the world and particularly with reference to the United States. During the course of the Conference, daily meetings were held, including Delegates and Experts and Advisors, at which the policies of the day were outlined.

We feel that within the limits fixed for discussion and recommendation, the conference has pointed ways for the removal or modification of obstacles to the natural flow of international trade, and for the lowering of costs of production. We believe if the formula evolved should be followed, it will be beneficial to the peoples not only of Europe but of the world. We are convinced that improvement in economic condition in Europe will make for universal peace.

[Annex 1]

Personnel of the American Delegation

Delegates:

- Mr. Henry M. Robinson.
Member of the Dawes Commission, and President of the First National Bank, Los Angeles.
- Mr. Norman H. Davis.
Formerly Assistant Secretary of Treasury and Under Secretary of State.
- Mr. John W. O'Leary.
President of the United States Chamber of Commerce.
- Mr. Alonso E. Taylor.
Director of Food Research Institute, Stanford University.
- Mr. Julius Klein.
Director, Bureau of Foreign and Domestic Commerce, U. S. Department of Commerce.

Mr. Robinson and Mr. O'Leary served on the Committee on Industry; Mr. Davis and Mr. Klein served on the Committee on Commerce; Mr. Taylor served on the Committee on Agriculture.

Experts and Advisers of American Delegation to the International Economic Conference:

- Dr. Arthur N. Young.
Economic Adviser to the Department of State.
- Dr. E. Dana Durand.
Chief of the Research Division, Department of Commerce.
- Mr. Grosvenor Jones.
Chief of the Finance and Investment Division, Department of Commerce.
- Mr. Louis Domeratzky.
Chief of the Regional Division, Department of Commerce.

- Mr. E. W. Camp.
Commissioner of Customs, Treasury Department.
- Mr. Asher Hobson.
Permanent American Delegate to the International Institute of Agriculture at Rome.
- Dr. Percy W. Bidwell.
An Economist of the United States Tariff Commission.
- Mr. Henry Chalmers.
Chief of the Division of Foreign Tariffs, Department of Commerce.
- Mr. John P. Frey.
Representing the Department of Labor.
- Secretary:
Mr. Somerville Pinkney Tuck.
Consul of the United States of America at Geneva.
- Assistant Secretary:
Mr. F. C. Finger.
- Representative of the Press:
Mr. Arthur Bullard.

Dr. Young, Mr. Camp, Mr. Domeratzky, Mr. Chalmers and Mr. Bidwell served on the Committee on Commerce; Dr. Durand, Mr. Jones and Mr. Frey served on the Committee on Industry; Mr. Hobson served on the Committee on Agriculture.

INTERNATIONAL CONFERENCE FOR THE ABOLITION OF IMPORT AND EXPORT PROHIBITIONS AND RESTRICTIONS, GENEVA, OCTOBER 17-NOVEMBER 8, 1927⁸⁸

560.M2/- : Telegram

The Consul at Geneva (Tuck) to the Secretary of State

GENEVA, June 14, 1927—3 p. m.

[Received June 14—1:54 p. m.]

Council today adopted Stresemann report fixing date Diplomatic Conference Abolition Export and Import Prohibitions [and] Restrictions for October 17, 1927. This date chosen in order not to conflict with proposed meeting Preparatory Commission for Disarmament in November.⁸⁹ Report calls attention of states invited to Conference to conclusion[s] formulated by International Economic Conference⁹⁰ on the subject [of] prohibitions. All countries who sent delegations to Economic Conference will receive invitation to attend.

TUCK

⁸⁸ For official records of the Conference, see League of Nations, *International Conference for the Abolition of Import and Export Prohibitions and Restrictions*, etc.: Proceedings of the Conference (C.21.M.12.1928.II).

⁸⁹ For correspondence concerning the fourth session of the Preparatory Commission, see pp. 159 ff.

⁹⁰ See pp. 238 ff.

560.M2/3a : Telegram

The Secretary of State to the Minister in Switzerland (Wilson)

WASHINGTON, July 15, 1927—10 a. m.

60. Has Legation received an invitation from League requesting American representation at Diplomatic Conference for the Abolition of Import and Export Prohibitions and Restrictions to be convened October 17, 1927?

You are requested to telegraph a summary of any invitation to an International Conference which Legation may receive in future, giving date received and date of mailing.

KELLOGG

560.M2/4 : Telegram

The Minister in Switzerland (Wilson) to the Secretary of State

BERNE, July 16, 1927—10 a. m.

[Received 10:30 a. m.]

58. Department's telegram 60, July 15, 10 a. m. Invitation transmitted to Department by League in circular letter number 29, April 2, 1927, under cover of Legation's despatch number 1178 of April 13, 1927, L. N. number 895,⁹¹ whereby United States was invited, on behalf of the Council of the League, to send a duly authorized delegation to take part in an international Conference with a view to framing an international convention for abolishing import and export prohibitions and restrictions.

In a communication of June 27 forwarded by last pouch under cover of Legation's despatch number 17 of June 28, League of Nations 919,⁹¹ League requests to be informed whether United States intends to take part in Conference.

WILSON

560.M2/4 : Telegram

The Secretary of State to the Minister in Switzerland (Wilson)

WASHINGTON, July 22, 1927—1 p. m.

61. Your 58, July 16, 10 a. m. League's circular letter No. 29 transmitted with Legation's despatch No. 1178, of April 2, 1927,⁹² was mimeographed unsigned document in which even the space for the name of the invited Government was left blank. Such a blank circular form can in no way be considered an invitation to any diplomatic conference.

⁹¹ Neither printed.

⁹² Neither printed; Legation's despatch No. 1178 was dated April 13, 1927.

You are therefore requested, in reply to League's communication of June 27, 1927,⁹⁴ which has not yet been received by the Department, to invite the attention of the Secretariat to the fact that this Government has received no invitation to the Conference referred to in your telegram.

KELLOGG

560.M2/10

The Minister in Switzerland (Wilson) to the Secretary of State

No. 56

BERNE, August 4, 1927.

L. N. No. 933

[Received August 23.]

SIR: Referring to the Department's telegram No. 62 of July 28, 5 p. m., 1927, and this Legation's telegram No. 64 of August 4, 12 noon⁹⁵ relative to an invitation extended by the League of Nations to the United States to send a duly authorized delegation to take part in an international conference with a view to framing an international convention for abolishing import and export privileges and restrictions, I beg leave to transmit herewith, for the Department's information, a copy and translation of a letter dated August 2, 1927, from the Director of the Economic and Financial Section of the League⁹⁴ enclosing a signed duplicate of the above referred to invitation of April 2, 1927, (C.L.29.1927.II). The signed duplicate of this invitation is likewise transmitted herewith.

I have [etc.]

For the Minister:

LEON H. ELLIS

Secretary of Legation

[Enclosure]

The Deputy Secretary General of the League of Nations (Avenol) to the Secretary of State

C.L.29.1927.II

GENEVA, April 2, 1927.

SIR: On behalf of the Council of the League of Nations I have the honour to invite the United States Government to send a duly authorized delegation to take part in an international conference with a view to framing an international convention for abolishing import and export prohibitions and restrictions.

This invitation is addressed to States Members and non-Members of the League of Nations in pursuance of the following resolution adopted by the Council on March 11th, 1927.

⁹⁴ Not printed.

⁹⁵ Neither printed.

"The Council,

a) approves the report of the Economic Committee on its 21st Session;

b) decides to convene at Geneva a diplomatic conference of duly authorised representatives of the Governments Members and non-Members of the League of Nations, with a view to the framing of an international convention for the abolition of import and export prohibitions and restrictions. The invitations to the States will be accompanied by the documents already prepared by the Economic Committee. November 14th, 1927, is the date provisionally fixed for this conference."

It has been decided provisionally that the Conference should meet on November 14th, 1927, but the Council may, if circumstances require it, alter this date at its next session.

At the same time, the Council decided to communicate to all the Governments invited to the conference the enclosed document (C.I.A.P.1.) drawn up by the Economic Committee to serve as a basis for the conference's discussions.⁹⁶ This document contains a preliminary draft international agreement for the abolition of import and export prohibitions and restrictions, preceded by a brief historical sketch and a summary of the results of the enquiries conducted by the Economic Committee with the Governments and the commercial and industrial organisations of the various countries, and followed by observations on certain articles of the preliminary draft agreement.

In the two annexes will be found the amendments proposed and observations submitted by the organisations concerned and by certain Governments concerning the individual articles of the preliminary draft agreement.

I should be glad if you would be so good as to let me know whether the United States Government is prepared to send representatives to this conference.

I have [etc.]

J. AVENOL

[Subenclosure—Extract]

III. PRELIMINARY DRAFT AGREEMENT ESTABLISHED BY THE ECONOMIC COMMITTEE

ARTICLE 1

Subject to the exceptions provided for in the following articles, each contracting State undertakes within a period of six months to abolish all import and export prohibitions and restrictions and not thereafter impose or maintain any such prohibitions or restrictions.

⁹⁶ Document C.I.A.P.1 is entitled: *Commentary and Preliminary Draft International Agreement Drawn Up by the Economic Committee of the League of Nations To Serve as a Basis for an International Diplomatic Conference*. Only the preliminary draft agreement which it contained is printed *infra*. For full text of C.I.A.P.1, see *Proceedings of the Conference*, p. 218.

In the meantime, the contracting States will adopt all practicable measures to reduce existing prohibitions and restrictions to a minimum and to avoid the imposition of any fresh ones.

Further, they undertake to adopt all necessary measures to see that the provisions of the present Agreement are strictly observed by all Governments, central or local authorities, and that no administrative regulation is issued in contravention thereof.

ARTICLE 2

Should the contracting States in pursuance of their general legislation subject the importation or exportation of goods to certain regulations in respect of the manner, form or place of importation or exportation, or the imposition of marks, they undertake that such regulations shall not be made a means of disguised prohibition or arbitrary restriction.

ARTICLE 3

In the case of any prohibitions or restrictions which may be applied within the limits set by the present Agreement, the contracting States shall in the matter of licences comply strictly with the provisions of Article 3 of the International Convention for the simplification of Customs Formalities signed at Geneva on November 3rd, 1923.⁹⁷

ARTICLE 4

The following classes of prohibitions and restrictions are not prohibited by the provisions of the present Agreement, provided that they are applied equally to all foreign countries where the same conditions prevail and are not applied in such a way as to conceal measures the object of which is purely economic :

1. Prohibitions or restrictions having in view national defence, public safety or order ;
2. Prohibitions or restrictions issued on grounds of public health ;
3. Prohibitions or restrictions having in view the protection of animals and plants against disease, degeneration or extinction ;
4. Prohibitions or restrictions imposed for moral or humanitarian reasons or for the suppression of improper traffic, provided that the manufacture of and trade in the goods to which the prohibitions relate are also prohibited or restricted in the interior of the country ;
5. Export prohibitions or restrictions issued for the protection of national treasures of artistic, historical or archaeological value ;
6. Prohibitions or restrictions intended, in conformity with the national legislation or international conventions, to protect industrial, literary and artistic property, and to prevent unfair competition in regard to the false marking or appellation of origin, on condition that an analogous protection or supervision is applied to national products ;

⁹⁷ League of Nations Treaty Series, vol. xxx, p. 371.

7. Prohibitions or restrictions imposed for the purpose of extending to imported goods measures of control equivalent or analogous to those applying to home products of the same kind;

8. Prohibitions or restrictions applied to articles which in the interior of the country are subject to State monopoly or to monopolies granted by the State as regards either manufacture or trade;

9. Prohibitions or restrictions established in pursuance of international conventions regulating the traffic in arms, opium or other forms of trade which give rise to dangers or abuses, or relating to methods of unfair competition;

10. Prohibitions applicable to coins, gold, silver, currency notes or securities.

ARTICLE 5

Nothing in this Agreement shall affect the right of any contracting State to take on importation or exportation all necessary measures to meet extraordinary and abnormal circumstances and to protect the vital economic and financial interests of the State. Nevertheless, in view of the grave inconveniences caused by prohibitions and restrictions, they shall only be imposed in cases of exceptional necessity and shall not be made an arbitrary means of protecting national products or of discriminating against any other contracting State. Their duration shall be restricted to that of the causes or circumstances from which they arise.

ARTICLE 6

Each contracting State agrees not to invoke the provisions of the present Agreement as a ground of objection to measures of prohibition or restriction applied by another contracting State to the products of a third State which imposes on its products prohibitions or restrictions of a kind prohibited by the present Agreement or which subjects its commerce or shipping to measures of exclusion or discrimination or to unfair methods of competition.

ARTICLE 7*

Should a dispute arise between two or more contracting States as to the interpretation or application of the provisions of the present Agreement, and should such dispute not be settled either directly between the parties or by the employment of any other means of reaching agreement, the parties to the dispute may, before resorting to any arbitral or judicial procedure, submit the dispute, with a view to an amicable settlement, to such technical body as the Council of the League of Nations may appoint for this purpose. This body will give an advisory opinion after hearing the parties and effecting a meeting between them if necessary.

*This article reproduces the provisions of Article 22 of the Customs Formalities Convention, signed at Geneva on November 3rd, 1923. [Footnote in the original draft agreement.]

The advisory opinion given by the said body will not be binding upon the parties to the dispute unless it is accepted by all of them, and they are free, either after resort to such procedure or in lieu thereof, to have recourse to any arbitral or judicial procedure which they may select, including reference to the Permanent Court of International Justice as regards any matters which are within the competence of that Court under its Statute.

[If a dispute of the nature referred to in the first paragraph of this article should arise with regard to the interpretation or application of Articles (. . .) of the present Agreement, the parties shall, at the request of any of them, refer the matter to the decision of the Permanent Court of International Justice, whether or not there has previously been recourse to the procedure prescribed in the first paragraph of this article.]*

The adoption of the procedure before the body referred to above or the opinion given by it will in no case involve the suspension of the measures complained of; the same will apply in the event of proceedings being taken before the Permanent Court of International Justice, unless the Court decides otherwise under Article 41 of the Statute.

ARTICLE 8

The present Agreement shall be open for signature for a period of twelve months from the present date by any State which is a Member of the League of Nations or to which the Council shall have communicated a copy for this purpose.

Thereafter any such State may accede to the Agreement by an instrument communicated to the Secretary-General of the League of Nations, who shall at once notify its receipt to the other parties to the Agreement.

ARTICLE 9

The present Agreement shall be ratified and the ratifications deposited at Geneva with the Secretary-General of the League of Nations as soon as possible. It shall come into effect ninety days after the date on which the Secretary-General notifies the parties that it has been ratified or acceded to by (. . . †) States, including those mentioned in Appendix. ‡

As regards a State ratifying or acceding to the Agreement after it has come into force, the Agreement shall come into force ninety days after the notification of such ratification or accession by the Secretary-

*This paragraph is put in brackets to indicate that the Economic Committee wishes to leave open the question of its eventual inclusion or omission. [Footnote in the original draft agreement.]

†Number to be inserted. [Footnote in the original draft agreement.]

‡The list of States to be set out in Appendix will include the principal States of Europe whose participation in the Agreement is of greatest importance, having regard to the magnitude of their trade or their geographical position. [Footnote in the original draft agreement.]

General of the League of Nations. If within two years from the present date sufficient ratifications and accessions have not been notified to bring the Agreement into force, the States which have ratified or acceded to the Agreement will confer with a view to deciding whether the Agreement should be put into effect as among themselves.

ARTICLE 10

Any contracting State may denounce the Agreement by a notification in writing addressed to the Secretary-General of the League of Nations at any time not less than (four) years from the date when the Agreement comes into force. Such denunciation shall take effect one year after its receipt by the Secretary-General and shall only operate in respect of the denouncing State.

If one of the contracting States named in the preceding article or five other contracting States not so named denounce the present Agreement, any contracting State shall be entitled to request the Council of the League of Nations to summon a Conference to consider the situation thus created. If the Council declines this request, any contracting State may denounce the present Agreement by six months' notice. Should the Conference meet under the auspices of the League of Nations, any contracting State which dissents from its decision may similarly denounce the Agreement by six months' notice.

ARTICLE 11

In order to indicate the progress which has been made in regard to the abolition of import and export prohibitions or restrictions, each contracting State shall, within twelve months of the coming into force in its own case of the present Agreement, furnish the Secretary-General of the League of Nations with a statement of the steps which it has taken for the purpose, with a view to the communication of a summary of this information to the various States.

ARTICLE 12

If before the expiration of the period of four years mentioned in Article 10 one-third of the contracting States notify the Secretary-General of the League of Nations of their desire that the present Agreement should be revised, the other contracting States undertake to participate in any consultation that may take place with a view to the revision or maintenance of the Agreement.

NOTE.—The Agreement, if it takes the form of a Convention, will need to be completed by the usual articles which have become "common form", dealing with such matters as the position of colonies and overseas possessions or of countries which form part of the same sovereign State, the relation of the Convention to the rights and duties of States as Members of the League of Nations, etc.

560.M2/10 : Telegram

*The Acting Secretary of State to the Minister in Switzerland
(Wilson)*

WASHINGTON, *September 17, 1927—3 p. m.*

80. Your despatch No. 56, August 4, 1927. Please communicate the following to the Secretary General of the League of Nations in the usual informal manner:

"The Secretary of State of the United States of America refers to the note of the Deputy Secretary General of the League of Nations, dated April 2, 1927, in which he was good enough to invite the Government of the United States of America to attend an international conference with a view to framing an international convention for abolishing import and export prohibitions and restrictions. The Government of the United States is glad to accept the invitation of the League of Nations and to participate in this Conference, which, it is informed will convene at Geneva on October 17, 1927. The President has appointed Mr. Hugh Wilson, American Minister to Switzerland to attend the Conference as the representative of the United States. He will be assisted by one or more advisers whose names will be communicated to you as soon as possible."

Full instructions will be transmitted to you later.

CARR

560.M2/18a

The Secretary of State to the Minister in Switzerland (Wilson)

[No.] 65

WASHINGTON, *October 6, 1927.*

SIR: The President has instructed me to inform you of his desire that you should represent this Government at the forthcoming conference on import and export prohibitions and restrictions to be held at Geneva beginning October 17, 1927, to consider the adoption of an agreement for the abolition of such prohibitions and restrictions. You will be assisted by H. Lawrence Groves, Commercial Attaché at Vienna; Charles E. Lyon, Commercial Attaché at Berne; Henry F. Worley, of the Treasury Department; and Percy W. Bidwell, one of the European representatives of the Tariff Commission. Mr. S. P. Tuck, American Consul at Geneva, will serve as secretary of the delegation.

The Department desires you to be governed by the following instructions as representative of the United States at the forthcoming Conference on Import and Export Prohibitions and Restrictions, which convenes at Geneva October 17, 1927.

The subject matter of the Conference is the preliminary draft agreement prepared by the Economic Committee of the League. The following comments are made in relation thereto.

Article 1

Having in mind that the object of the conference is to abolish the system of prohibitions and restrictions, it appears that the undertaking in the first paragraph to abolish "all import and export prohibitions and restrictions" could probably not be construed as extending to import duties imposed for the purposes of revenue or protection to domestic producers. The Department, however, feels it essential to dispel any possible doubt on that score. It is believed that most if not all the other governments will share that view. The Department therefore desires that an appropriate modification to that effect be embodied in the agreement. If an appropriate amendment is proposed by one of the other delegations you may support it. If not, you may suggest that the following be included as a separate article:

"Nothing in this Agreement shall be construed as affecting the right of any contracting state to impose import duties; or to adopt measures to prevent or counteract dumping or to offset bounties or subsidies paid to foreign producers."

It would appear preferable that the proposal of such an amendment, if found necessary, be made in the latter stages of the conference, in order to avoid giving opportunity for the suggestion to be made that import duties be brought within the scope of the conference.

Article 2

No observations appear to be called for.

Article 3

The provisions of Article 3 of the International Convention for the Simplification of Customs Formalities of November 3, 1923, should be incorporated in the Article rather than merely included by reference. Since the United States is not a party to that Convention, it is the more desirable that any agreement to be signed at the present Conference be complete in itself.

You will recall that Article 3 of the Convention of November 3, 1923, is quoted on page 21 of Document C.I.A.P.1,⁹⁸ which contains the draft agreement under discussion at the present conference.

It is suggested that the introductory paragraph of Article 3 of the draft Agreement should read as follows:

"In the case of any prohibitions or restrictions which may be applied within the limits set by the present Agreement, the contracting States shall in the matter of licenses comply strictly with the following provisions:"

There should then be inserted paragraphs (a) to (d) inclusive of Article 3 of the Convention of November 3, 1923. The Department

⁹⁸ See footnote 96, p. 249.

feels, however, in the light of its experience in endeavoring to protect American trade with countries having a system of licenses, that paragraph (e) of that Convention needs to be revised and broadened in order to prevent possible abuses. There is transmitted herewith for your information a copy of the draft form of Article 7 which is being inserted in commercial treaties now being negotiated by the United States.⁹⁹ You will note that the fourth paragraph of Article 7 deals with the issue of licenses.

The Department feels that sub-paragraph (e) should be revised, to read as follows:

“(e) That, in the event of the fixing of rations or quotas, no conditions or formalities shall be imposed or required, in connection with the allocation of licenses for restricted goods authorized for importation or exportation, that may prevent according to each other contracting state an equitable share of such importation or exportation, having regard to the normal volume of trade of the respective countries in the particular class of goods in question. In the application of the provisions of this paragraph no distinction shall be made between direct and indirect shipments.”

It may be added for your information in connection with paragraph (e) of Article 3 of the convention of November 3, 1923, that the Department has considered the possible bearing of the practice and requirements of the Federal Narcotics Board, which allocates among American importers permits to import narcotics. The Department understands that the reference in paragraph (e) to “equitable allocation”, refers to allocation in respect of foreign sources of supply, and not to allocation among domestic importers, since the latter is obviously an internal question. In order to avoid any possible question, it is important that the language adopted on this point be entirely clear.

Article 4

With respect to the reference in the introductory sentence to the possibility that prohibitions and restrictions may have a concealed economic purpose, the Department calls attention to the circular instruction recently issued on this subject, copy of which is transmitted herewith.¹ This instruction sets forth the position in the matter of the United States Department of Agriculture.

The United States has in force certain prohibitions or restrictions coming within all the ten categories of suggested exceptions excepting numbers 5, 8 and 10. The views of the Department concerning each of the proposed exceptions are as follows:

⁹⁹ Not printed; but see art. 7, par. 4, of the draft treaty submitted to France, vol. II, pp. 639, 642.

¹ See the Department's diplomatic serial No. 660, Sept. 19, 1927, vol. III, p. 734.

Point 1. The legislation of the United States in relation to helium gas, copies of which are enclosed,² comes under this point, and the maintenance of this exception is necessary from the standpoint of the United States.

Point 2. American prohibitions or restrictions on grounds of public health relate, for example, to the importation of viruses or serums, or of hay and straw not disinfected. The maintenance of this exception is thus obviously necessary.

Point 3. American prohibitions or restrictions designed to protect animal and plant life relate to foreign plants, fruits, seeds, bulbs, wild animals, eggs, etc. as well as to the prohibition of importation of seal skins from seals and otters taken in prohibited waters. The maintenance of this exception is thus necessary.

Point 4. American prohibitions or restrictions imposed for moral or humanitarian reasons or to suppress improper traffic relate *inter alia* to intoxicating liquors, smoking opium and narcotic drugs, lottery tickets, obscene and immoral articles, counterfeits, pictorial representations of prize fights and the plumage of certain birds. The maintenance of this exception is therefore necessary.

Point 5. The United States has no prohibitions or restrictions for protection of "national treasures of artistic, historical or archaeological value", but has no objection to this exception.

Point 6. American prohibitions or restrictions to protect industrial, literary and artistic property or unfair competition relate to infringements of trade marks, trade names and copyrights, and also include the requirements of the United States regarding marking of the foreign origin of imported goods.

The Department considers that the language of point 6 requires modification in order to cover the necessary prohibitions or restrictions enforced in the United States. In connection with this matter, reference is made to Section 316 of the Tariff Act of 1922, which relates to unfair competition.³ Reference is also made to the requirements of American law that certain classes and kinds of imports be marked to show the country of origin (see the customs regulations of the United States, index under "Marking"; a copy of the Customs Regulations is among the documents left at the American Consulate at Geneva by the American delegation to the Economic Conference). It is of course impracticable for the United States to require that domestic products for sale in the United States be marked in the same manner as similar imported products.

The Department therefore considers that point 6 should be amended to read as follows:

² Not printed; see the act of Mar. 3, 1927, 44 Stat. (pt. 2) 1387.

³ 42 Stat. 858, 943.

"Prohibitions or restrictions intended, in conformity with national legislation or international conventions, to protect industrial, literary and artistic property, and to prevent unfair competition in regard to the false marking or appellation of origin, on condition that an analogous protection or supervision (except in the case of marking or appellation of origin) is applied to national products."

Point 7. American prohibitions or restrictions extending control equivalent or analogous to that applied to domestic products apply, for example, in the case of intoxicating liquors. This exception is thus necessary.

Point 8. The United States has no prohibitions or restrictions such as those enumerated under point 8, i. e. in relation to monopolies. It may be observed that while State monopolies in foreign countries are frequently felt to be detrimental to American interests, their establishment is in the last analysis a matter of internal policy for the country in question, and the Department accordingly feels that it is not in a position to offer any objection to the proposed exception.

Point 9. While the Department has no objection to the exceptions embodied in the draft of point 9, it considers that these exceptions should not be limited to those made necessary pursuant to international conventions relating to traffic in arms, opium, etc., or unfair methods of competition.

In this connection, reference is made to the Joint Resolution of Congress approved January 31, 1922,⁴ authorizing the President to prohibit or restrict the exportation of arms or munitions of war to countries in which the United States exercises extraterritorial jurisdiction, or in which conditions of domestic violence exist. A copy of this resolution is transmitted herewith, together with copies of a ruling of the Department of State dated May 3, 1927, concerning the kinds of articles requiring individual export licenses when destined to Mexico.⁵ A copy of the President's proclamation of January 7, 1924, concerning the restriction of exports of arms or munitions to Mexico is also transmitted herewith.⁶

The Department accordingly considers that Point 9 should be amended to read as follows:

"Prohibitions or restrictions established in pursuance of international conventions *or domestic legislation* regulating traffic in arms, opium, or other forms of trade which give rise to dangers or abuses, or relating to methods of unfair competition."

Point 10. The United States has no prohibitions applicable to "coins, gold, silver, currency notes or securities". While the establishment of prohibitions such as would appear possible under the exception set

⁴ 42 Stat. 361.

⁵ Not printed.

⁶ *Foreign Relations*, 1924, vol. II, p. 428.

forth in point 10 might be subject to abuse, there are circumstances in which such prohibitions appear necessary and accordingly this Department makes no objection to that exception. The Department is not clear why exception 10 makes no reference to "restrictions". It appears also that a comma should follow the word "currency", in case, as it appears, that word is intended to cover coins or circulating media other than gold and silver.

Additions to the exceptions listed in Article 4 are necessary to cover the following points, in view of American legislation: (a) prohibition or restriction of importation of prison-made goods; (b) restrictions and prohibitions pursuant to the so-called grain, cotton and tea standards legislation.

With respect to prison-made goods, the situation might be met in one of two ways. The following statement might be included at the end of point 9:

"(including the prohibition or restriction of importation of prison-made goods, regardless of whether domestic commerce in such goods is prohibited or restricted)."

Alternatively, a separate exception having a distinct number might be inserted, as follows:

"Prohibitions or restrictions applied to the importation of prison-made goods, regardless of whether domestic commerce in such goods is prohibited or restricted."

With respect to the grain, cotton and tea standards legislation, it is suggested that an additional exception be inserted, as follows:

"Prohibitions or restrictions in connection with the application of standards for classification and grading of commodities in international commerce, provided equivalent measures are applied to national products."

In connection with this matter, reference is made to the letters from the Department of Agriculture, transmitted with the Department's instruction No. 63 of September 30, 1927.⁷

A further prohibition authorized by American law is that provided for in Section 510 of the Tariff Act of 1922⁸ to the effect that the Secretary of the Treasury may prohibit importation of specific shipments when the foreign shipper thereof has refused to permit a duly accredited officer of the United States to inspect his records pertaining to the market value or classification of the goods in question. The Department prefers that you should not raise this question until the general discussions on the draft treaty have practically crystallized the treaty into final form when you should ask specific instructions on this point.

⁷ Not printed.

⁸ 42 Stat. 858, 908.

Article 5

The Department considers that this article, in its present draft form is far too broad and vague, and that if permitted to stand might practically nullify the convention. If the article were maintained, countries that have the system of prohibitions and restrictions might feel free to contend that its continual existence is necessary "to protect the vital economic and financial interests of the State." Heretofore, such measures have been defended as necessary to protect the currency, or to develop industries regarded as "vital". It is believed that in general States considering it necessary to protect their industries against foreign competition may do so with less disturbance to international trade by employing protective duties than by the arbitrary method of prohibitions or restrictions, which so greatly interferes with commercial stability.

The Department suggests the following substitute for Article 5:

"Nothing in this Agreement shall affect the right of any contracting State to apply to importation or exportation all necessary measures in case of war or national calamity. The duration of any such measures shall be restricted to that of the causes or circumstances from which they arise".

The Department attaches great importance to effecting the change set forth above, and desires you strongly to oppose the original wording, even though it appears likely that the State maintaining the licence system will try to keep the original draft.

Article 6

The Department considers that the provisions of this article are necessary. It is doubtless intended to cover the application of prohibitions or restrictions as penalty measures, as authorized or contemplated in Section 317 of the Tariff Act of 1922⁹ and in Section 26 of the Shipping Act, 1916.¹⁰

It is, however, necessary to leave out the word "third". Otherwise, it appears that a State party to the Agreement which might impose "measures of exclusion or discrimination" would be in a position to object to prohibitions or restrictions which another State party to the Agreement might adopt for the purpose of penalty or retaliation.

Article 7

It is believed that the first paragraph of Article 7 would be clarified if the words "provided they mutually agree to do so" are inserted in the fourth line between "may" and "before."

⁹ 42 Stat. 858, 944.

¹⁰ 39 Stat. 728.

Inasmuch as the United States has not adhered to the Statute of the Permanent Court of International Justice, it is essential that the United States should not be obligated by the Agreement to submit to that Court a dispute arising thereunder. At the same time, the United States naturally does not wish to object to the adoption by the states adhering to the Statute of such procedure for settlement of disputes among them as they may consider appropriate. Nor does the Department desire you to take a position that might be taken to indicate that it would not in any circumstances submit a dispute to that Court.

The Department would greatly prefer to substitute for the entire Article 7 language based upon Article 35 of the Convention for the Supervision of the International Trade in Arms and Ammunitions and in Implements of War, concluded June 17, 1925,¹¹ changing "shall" to "may" wherever occurring. If this proves impracticable, you should telegraph the Department for further instructions, at the same time offering such suggestions as you may deem appropriate.

Article 8

The second paragraph of Article 8 is not clear. It provides that "such State" may accede to the agreement. The reference is to the preceding paragraph which provides for accession by States members of the League of Nations or to which the Council shall have communicated a copy of the agreement for purpose of signature.

It would thus appear that only such States as are members of the League of Nations or are invited to sign the agreement may accede. Such a provision is adequate only if all States are invited to sign. The Department considers that the utility of an agreement on this general subject would be the greater if all States should adhere thereto.

Article 9

The Department does not at this time desire to give you instructions as to the number of States whose ratification is requisite, but desires your telegraphic comment on this point after you have had opportunity to discuss the matter with your colleagues.

The Department has no objection to the wording proposed. It is presumed that it will not be suggested that the United States be included as one of the States whose ratification shall be requisite before the Agreement becomes effective, since the United States does not enforce the prohibitions or restrictions against which the Agreement is understood to be directed.

¹¹ *Foreign Relations*, 1925, vol. I, p. 61.

Article 10

The second paragraph of Article 10 refers to the "contracting States named in the preceding article." No States are named in the preceding article, in which there is only a reference to countries named in the appendix.

No time is fixed in the second paragraph of Article 10 within which the Council must decide whether or not to summon a conference. Apparently some clarification of drafting is requisite with respect to this matter.

Article 11

From the point of view of the countries not members of the League of Nations, it seems preferable to omit this article, involving as it does, an obligation to make a report to the Secretary General of the League. Undoubtedly, Governments, regardless of League membership, would be glad to respond to any inquiries which the Secretary General might make on the subject.

Article 12

The Department feels that this article might appropriately be re-drafted with a view to making the obligations thereof more definite and clear.

In reference to the question raised in the note at the bottom of page 18 of C. I. A. P. 1. as to the application of the Convention to colonies and overseas possessions, the following provision which is contained as Article 13 in the International Convention for the Unification of Certain Rules in Regard to Bills of Lading, signed at Brussels, in 1924 and 1925¹² would be satisfactory to this Government:

"Article —.

"The high contracting parties may at the time of signature, ratification, or accession declare that their acceptance of the present convention does not include any or all of the self-governing dominions, or of the colonies, overseas possessions, protectorates, or territories under their sovereignty or authority, and they may subsequently accede separately on behalf of any self-governing dominion, colony, overseas possession, protectorate, or territory excluded in their declaration. They may also denounce the convention separately in accordance with its provisions in respect of any self-governing dominion, or any colony, overseas possession, protectorate, or territory under their sovereignty or authority."

The Department is concerned lest the various countries attending the Conference may introduce so great a number of exceptions such as are contained in Article 4 to the provisions eliminating import

¹² *Foreign Relations*, 1925, vol. I, p. 254.

and export prohibitions and restrictions that the usefulness of the proposed agreement will be threatened. You should particularly observe signs of such a tendency during the opening days of the Conference and should keep the Department fully informed. It seems possible that, in the event that the usefulness of the proposed agreement is too seriously threatened, this Government may withhold its signature, in which case the introduction of exceptions by the United States might possibly be omitted entirely.

The Department has undertaken to reduce as far as possible the number of exceptions which it must request in order to conform to the requirements of American law. In introducing those brought forward in this instruction you may appropriately avoid being among the first delegates to propose exceptions not included in the draft as prepared. You may also appropriately introduce them one by one at times when they will create the smallest impression of piling up exceptions.

The Department calls particular attention to the recommendations of the Economic Conference endorsing the draft convention as "a very satisfactory basis" for the work of the forthcoming conference. The Economic Conference, however, in addition recommended:

"That, moreover, the application of the principles laid down in this draft should not be indirectly defeated by such means as export duties, the fixing of quotas, health regulations or any other measures not justified by exceptional or imperative circumstances;

"And, further, that the application of these principles should not be indirectly defeated by restrictions on the free circulation of capital—including, for example, any system for controlling exchange which impedes the purchase or exportation of foreign exchange for the purpose of paying for goods imported". See page 21 of the Final Report of the Economic Conference, Document C. E. I. 44 (1).¹³

In the same connection reference is also made to the provisions on page 31 of the report of the Economic Conference dealing with "Export Duties".

Accordingly, questions relating to the points quoted above will presumably arise at the forthcoming conference. The Department will address to you separate instructions regarding the attitude you should take concerning these points.

The Department considers it important that a suitable agreement be reached for the abolition of import and export prohibitions and restrictions. Such measures have caused material difficulty to American commerce in the period since the war, by reason of the arbitrary and discriminatory manner in which they have been applied. They have interfered with that stability of conditions which is so essential

¹³ League of Nations, *The World Economic Conference, Geneva, May 1927: Final Report*.

to the development and progress of international commerce. Moreover, their application has led to a number of diplomatic controversies and has complicated the negotiation of the commercial treaties which the United States has desired to conclude in order to establish its commercial relations with foreign countries on a mutually satisfactory and permanent basis.

During the negotiations of the Conference you will of course keep the Department closely advised of important developments, including the substance of any new proposals that may be seriously considered. The Department will endeavor promptly to instruct you in relation to such points as may develop.

It may be that certain of the governments participating in the Conference will be disposed to extend in some directions the scope of the matters dealt with. As indicated above, the Department is of the opinion that in view of the declarations of the Economic Conference in relation to export duties, the scope of the Conference may be extended to deal with them. But the Department is inclined to the view that in principle it would not be advisable to extend the scope of the Conference in other directions for example in relation to questions affecting import duties and commercial treaties. Apart from the fact that certain inquiries pertaining to these matters are being conducted by the League of Nations pursuant to the conclusions of the Economic Conference, the Department believes that no useful purpose will be served by the injection of such controversial matters into the present Conference. The Conference is more likely to succeed if its objectives are definitely limited.

Before signing an agreement you will of course report the full text to the Department for consideration.

I am [etc.]

FRANK B. KELLOGG

560.M2/37a : Telegram

*The Secretary of State to the Chief of the American Delegation
(Wilson)*

[Paraphrase]

WASHINGTON, October 17, 1927—5 p. m.

1. Department's instruction No. 65, October 6, 1927. As presumably proposal will be made that scope of draft agreement be expanded to include topics mentioned in quotation from Economic Conference report, you are instructed further as follows:

1. In view of the detriment the American public has suffered through foreign export duties and other measures of a monopolistic nature, this Government would in principle favor addition of new article, toward end of Convention preferably, to be based on first

paragraph of passage quoted from above report; article might take following form:¹⁴

"Each contracting State agrees to refrain from employing export duties, quotas, or other measures applicable to exportation of goods in such manner as to defeat the application of the principles laid down in the present agreement and particularly in article 1 thereof."

If, as we hope, the Conference adopts modification of article 5 along lines desired by the Department, then reference to "exceptional or imperative circumstances" in first paragraph of quotation from report would obviously not be necessary; refer to your instructions on article 5. Likewise, first sentence article 4 covers matter of health regulations. The words "applicable to exportation of goods" are believed to be necessary in order to rule out measures which are strictly internal.

2. The so-called raw materials question involves question of export duties. Complete information on the general subject will be found in documents left at the consulate by the delegation to the Economic Conference in relation to the limitation and monopolization of trade. Export duties have been and are being imposed in order to restrict exportation so as to bring about monopolistic prices; rubber control is a case in point. Of course, monopolistic measures may take some form besides export control, and then would be, naturally, quite beyond scope of present discussions.

3. The Department does not wish to have the controversial question of raw materials injected into the Conference if it would jeopard, as seems possible, the primary purpose of the Conference instead of resulting in a constructive step forward toward solution of raw materials problem. Department does not desire you to introduce immediately any proposal, but wishes you to observe carefully the tendencies in the Conference and to cable us your advice as promptly as is practicable. You may wish to sound out, discreetly, your French and Italian colleagues, as the French and Italian delegates to the Economic Conference were especially interested in subject of raw materials. Department will be glad to have you cable comment in regard to text of any proposal on this subject which has likelihood of being seriously pressed. You will then receive additional instructions as may be appropriate.

4. Suggestion has been made (for example, the view expressed by the British in correspondence with this Government on rubber restriction)¹⁵ that export duties and import duties alike operate as restrictions upon freedom of commerce. As it is possible that sug-

¹⁴ Quoted passage not paraphrased.

¹⁵ See *Foreign Relations*, 1926, vol. II, pp. 358 ff.

gestion be made that insertion of clause quoted above is not consistent with proposed separate article on import duties discussed in Department's instruction No. 65, October 6, the Department calls attention to fact that, while export and import duties may have restrictive or even prohibitive effect, duties on exports may cut off supplies of particular commodities, raw materials in particular, which may be of vital necessity to foreign countries and which are not available elsewhere in sufficient quantities for their needs, while on the other hand the restriction of importation into a given market through duties on imports is rarely, if indeed it is ever, a vital matter to the country of origin, which still possesses alternative outlets. The material differences which exist between effects of import and export duties, as well as fact that latter appear to be much less firmly embedded in the economy of countries than import duties are, are thought sufficient to warrant their separate treatment.

5. It seems to Department that questions of free circulation of capital and of artificial control of exchange operations are outside scope of the present Conference. In Department's view it is preferable that these questions should not be made subject of seriously considered additional provisions, but if proposals of this nature are pressed, you will cable comment and recommendations.

6. Department of Commerce has approved these instructions.

KELLOGG

560.M2/34 : Telegram

The Chief of the American Delegation (Wilson) to the Secretary of State

GENEVA, October 17, 1927—7 p. m.

[Received October 17—4:25 p. m.]

1. First session, morning. In view of cordial reference to presence of American delegation, I thanked the President (Colijn, Netherlands), expressed interest of my Government in finding solution of difficulties, and assured Conference of earnest cooperation of American delegation. Acknowledgement was also made by Egypt, only other nonmember state.

Second session, afternoon, devoted to general statements bringing out especially on the part of Great Britain a warning against undue expectation of complete accomplishment of the entire task at this time. Smaller countries expressed general reserve awaiting action [of] neighbors and stronger states industrially. I made no statement.

WILSON

560.M2/37 : Telegram

The Chief of the American Delegation (Wilson) to the Secretary of State

GENEVA, October 18, 1927—10 p. m.

[Received October 18—9:48 p. m.]

4. Third session, morning, general discussion continued. Roumanian delegation introduced following text either to be included in article 1 or as special declaration:

"It is understood that the present agreement does not apply to export and import, each state reserving the right to determine its own customs tariffs."

Since this is in some respects similar to your desires as outlined in criticism of article 1, contained in your 65, October 6th, I consulted Roumanian delegate after session, pointed out difficulty for us to urge acceptance of an article mentioning "export duties" and mentioned our desire to specify right to counteract dumping and bounties. Roumanian delegate suggested that if I would introduce, as substitute for his resolution, the following text he would immediately withdraw his and support ours. Text follows:

"It is understood that the present agreement does not apply to customs tariffs, each state reserving the right to establish customs duties in accordance with its own necessities."

Does Department feel that this text is sufficient for our needs? If so, it gives a convenient way to enter this question with full support of another nation. Urgent reply requested.

Dutch delegation stated that if they surrender the right to impose restrictions, they would be giving up their only weapon against nations of excessive tariffs. Therefore, the cooperation of Dutch delegation in this convention could only be expected if the convention includes a declaration against excessive tariffs which constitute another handicap to free intercourse.

Fourth session afternoon. President announced that he intended to form very small committees of *rapporteurs*. He had grouped the articles of similar nature into four groups and would form eventually four such committees as follows:

Group 1. Articles 1, 6, 9 and 10.

Group 2. Articles 2, 3, 11.

Group 3. Articles 8 and 12.

Group 4. Articles 4, 5 and 7.

He added that there would be debate and explanation of amendments in plenary session; that all amendments would then be returned to small group for classifying and reporting back to the Con-

ference with recommendations. He then opened discussion on article 1. Amendments were proposed by Italian and British delegations both tending to emphasize reciprocal character of contractual obligations. Since document C.I.A.P.1, page 20, paragraph 2, assumes obligations could only be held to extend to contracting states, a principle corroborated in paragraph 1 of discussion article 6, on page 24, I offered no objection to this interpretation. Extended discussion followed as to rights of noncontracting states under most-favored-nation clauses which was inconclusive. This I believe is not a question which can be settled by this Conference.

Discussion of point 6 followed. Some doubts were cast by French and British delegations as to necessity for this article. I stated that we considered this article necessary and reserved the right to offer an amendment and explain it subsequently.

Debate on article 9 was inconclusive and reverted to the previous discussion on rights of noncontracting states under most-favored-nation clause, since certain states feared obligation to grant concessions to such noncontracting states. Great Britain made the only tangible proposal, namely, that the number of states in blank should be double the number of those holding permanent seats on the Council and states listed in appendix should be those holding permanent seats. I desire more time to shape views for recommendations on this subject. It may be advisable to await report of *réviseurs* before making recommendations.

Article 10 was not specifically discussed.

President announced that at plenary session tomorrow articles 2 and 3 will be taken up, adding that *réviseurs* would begin work in group 1 after morning plenary session.

WILSON

560.M2/39 : Telegram

The Chief of the American Delegation (Wilson) to the Secretary of State

GENEVA, October 19, 1927—2 p. m.

[Received October 19—2 p. m.]

5. Fifth session, morning. I offered an amendment striking out word "third" in third line article 6 making brief statement embodying second paragraph your criticism, page 12, instruction 65, and pointing out that this amendment was in accord with interpretation contained page 24 document C.I.A.P.1.

President then called for debate on second group (see my 4, October 18, 10 p. m., reporting fourth session), article 2, some discus-

sion in which I took no part on scope of article as to whether it refers purely to customs or other matters. Debate inconclusive and somewhat perfunctory.

Article 3. I introduced redraft of article and made brief statement following closely instructions your 65. While no exception was taken to the idea of incorporating in some form provisions of the convention of November 3, 1923, vigorous debate took place on subparagraph (e), French and Italian delegations opposing its inclusion on the ground that scope is too broad and would necessitate another conference to debate it. Austrians and Poles supported subparagraph (e) but Austrians desired elimination of phrase "having regard to the normal volume of trade of the respective countries in the particular class of goods in question." Being requested by the President at the instigation of Dutch delegation to explain this phrase, I stated that it is not to be considered as a mathematical formula but as a principle which supplements the previous phrase "an equitable share of such importation or exportation."

Article 11. No debate on this article. In view of the somewhat delicate position of America in this matter I preferred not to carry out in plenary session instruction on page 14 your 65 but to talk over matter informally with President pointing out our difficulty and requesting his cooperation. Will report results.

Chair announced no plenary session for afternoon but meetings of groups 1 and 2 of *rapporteurs*.

WILSON

560.M2/37 : Telegram

*The Secretary of State to the Chief of the American Delegation
(Wilson)*

WASHINGTON, *October 19, 1927—7 p. m.*

5. Your 4, October 18, 10 p. m. As long as there is probability of usefully employing the draft article concerning export duties set forth in Department's 1, October 17, 5 p. m., Rumanian text, even as revised, would be unsatisfactory because conflicting. Bearing in mind that Rumania employs export duties extensively, at least for revenue purposes, you may consider whether you would care to suggest privately to your Rumanian colleague that in view of the Economic Conference recommendations regarding export duties, he would wish to substitute "import" for "customs" in his revised text. Alternatively, you might allow the present Rumanian text to be adopted tentatively and make the change indicated in case later developments should bring about adoption of article on export duties. Department leaves to your discretion time and manner of your introducing, in

the absence of satisfactory similar declaration by another delegate, the addition to Article 1 set forth in its Instruction No. 65, October 6. See Department's comment, page 2 of that instruction.

Comment on remainder of your telegram follows.

KELLOGG

560.M2/44 : Telegram

The Chief of the American Delegation (Wilson) to the Secretary of State

GENEVA, October 19, 1927—11 p. m.

[Received October 19—9:31 p. m.]

8. Afternoon, first meeting, group 2.

Article 3. Discussion hinged on American amendment reported my 5, October 19, 2 p. m. Detailed information was requested on exact interpretation of phrases occurring in subparagraph (e) notably "equitable share", "normal volume of trade" and last sentence. Delegation was embarrassed by lack of specific interpretation (see my 2, October 18, 1 p. m.¹⁶). Very determined opposition developed to subparagraph (e) in the present form, notably, that it involved principles of wider scope than contemplated in draft of convention and introduced the question of most-favored-nation to allocation of rations. French delegation which in plenary session had opposed American alteration *in toto*, finally offered compromise reading as follows:

"In the event that, during the application of the provisions of the present Conference, certain states should be led to maintain certain prohibitions and retain a few exceptions (French, *derogations*) in the form of licenses, the following rules shall apply: (a), (b), (c) and (d) of the United States proposal. Point (e) of this proposal shall be replaced by the following sentence:

"The Conference did not express itself on the method of allocation of quotas, but expressed the opinion that an equitable allocation of these quotas is one of the essential conditions of equitable commercial treatment of the states."

The foregoing to be inserted in final act.

Convinced that we could not obtain full satisfaction on this article, I stated that I would refer this compromise to you, reserving the right to reopen the question in case your decision was unfavorable. The Department may prefer the phraseology which seems preferable to me, namely, to begin the last paragraph: "The Conference is of the opinion that an equitable allocation, et cetera". If so I should nevertheless appreciate instructions as to whether I should accept the

¹⁶ Not printed.

original phraseology in the event that I am unable to cause the adoption of this alteration. Furthermore, you may care to provide for the difficulty outlined on page 4, middle paragraph your 65, by insisting on the insertion after the word "quotas" of the words "to other contracting states".

Request urgent reply as to the Department's views on compromise and further information as to specific [omission].

WILSON

560.M2/37 : Telegram

*The Secretary of State to the Chief of the American Delegation
(Wilson)*

WASHINGTON, October 20, 1927—7 p. m.

6. Your 4, October 18, 10 p. m.

(1) Referring to Dutch suggestion Department feels that question of level of import tariffs is outside the agenda and that nothing could in any event be gained by bringing into discussion such a controversial question.

(2) Department concurs that under draft convention rights and obligations extend to contracting parties only, also that question of obligations of individual contracting parties under treaties of their own with particular states ought not to be discussed at this Conference. For your own information, however, it appears that a most-favored-nation provision in the form now being included in the treaties we are negotiating, if included in a treaty between this Government and a state party to the proposed convention, would oblige such state to extend to American commerce any favor that, under the convention, it extended to parties thereto, regardless of whether the United States were such a party. It should be observed, however, that Article VII of the treaty proposed by the United States to Austria and to other countries, calls for equitable rather than equal treatment in respect of rations or quotas.¹⁷

(3) Department approves your statement in discussion of Article 6 and awaits your further comment before commenting upon discussion of Article 9.

KELLOGG

¹⁷ For previous correspondence as to the status of negotiations with Austria regarding the treaty, see *Foreign Relations*, 1925, vol. I, pp. 516-517. The text of the draft treaty as submitted to Austria in 1923, printed *ibid.*, 1923, vol. I, p. 400, does not include the paragraph calling for equitable rather than equal treatment in respect of rations or quotas. For text of this paragraph in draft treaty submitted to France, see *ibid.*, 1927, vol. II, pp. 639, 642.

560.M2/44 : Telegram

*The Secretary of State to the Chief of the American Delegation
(Wilson)*

[Paraphrase]

WASHINGTON, *October 20, 1927*—8 p. m.

7. Your No. 8, October 19, 11 p. m. As some time may elapse before provisions of a convention to abolish prohibitions and restrictions become fully effective, and as numerous exceptions seem likely to be adopted, Department holds view that article 3 is of importance and wishes you to make every reasonable effort to have this article adopted approximately in form in which you proposed it in accordance with Department's instructions.

Department is fearful that any provision in a multilateral convention less positive and inclusive than provisions it wishes to incorporate in its bilateral treaties will weaken its position in negotiating such treaties. Accordingly, question presents itself whether it might not be preferable to omit article 3 altogether if unobtainable in reasonably satisfactory form. Most of the other countries are probably parties to convention for simplification of customs formalities and are, in consequence, bound by its provisions whether or not it is quoted or referred to in convention now being drafted.

Essential portion of subdivision (e) is, in Department's opinion, the part requiring granting of licenses and assignment of quotas and formalities of whatever kind to be equitable. If you are able to obtain provision substantially to this effect you may accept it and consent to omission of rest of other provisions of subdivision (e), including the one regarding normal value to trade.

Department perceives no serious objection to draft introduction as proposed by French starting at "In the event that", but thinks drafting is not as good as your substitute. As meaning is substantially same, Department perceives no reason to change our draft. Not clear, furthermore, why French should object to declaration in agreement but should be willing to insert it in final act.

Rather than include nonbinding provisions in final act or elsewhere, the Department suggests for your consideration that, after the precedent of the Customs Formalities Conference of 1923, provisions be included when they are acceptable to most states but be subject to reservations by states finding difficulties. Before any such arrangement is proposed, however, please comment and request final instructions.

If you are not able to have included provision substantially equivalent to paragraph (e), report your recommendations and request instructions.

Your suggestion that "to other contracting states" follow "quotas" is approved, but Department does not regard this matter as of great importance.

KELLOGG

560.M2/45 : Telegram

The Chief of the American Delegation (Wilson) to the Secretary of State

GENEVA, October 20, 1927—10 p. m.

[Received October 21—2:23 a. m.]

11. Sixth session. British introduced fairly satisfactory article relating to prison-made goods. Also one embodying ideas similar to yours on standards. I introduced yours on standards and, knowing British were introducing one on other question, refrained for the moment from doing so. Also introduced in accordance with instructions amendments on article 4, paragraphs 6, 9, and 10 and on article 7. Since article 5 is the crucial one I withheld amendment for the moment to watch course of events.

Exception was taken by Italians, French, and Germans to a further paragraph under article 4 relative to standards. I therefore made a statement to dispel idea that our regulations constituted a barrier to trade and endeavored to demonstrate that they are great assistance to trade.

President then declared that unless Conference would refrain from details and attack essence of problem he would be compelled to call on us one by one for our declaration as to whether we desired in general to strengthen the convention or to weaken it. The British desired in general to eliminate from scope of convention everything which is not strictly of economic nature and preached the principle of making a document such as could be signed by the maximum number of states. The Germans insisted on revision of paragraph 1 of article 4 to cover only arms and munitions of war. The Italians are inclined to agree with the Germans while the French made no secret of their dissatisfaction with the present situation relative to British dye restrictions. This is behind a great portion of discussion going on between these four nations but it has not clearly come to surface yet. I learn that the British intend, if it comes to the surface, to defend the dye restrictions under article 4, paragraph 1 as necessary for national defense to build an industry capable of producing explosives.

I presented general survey without going into details, reserving that for the subcommittee, on our views respecting the articles under debate, namely, 4, 5 and 7. (See my 12, October 20, 10 p. m.)

French made interesting suggestion that import restrictions should be considered separately from export restrictions. This might furnish a solution of many difficulties since it would give opportunity for separate consideration of raw material problems and for maintaining concise phraseology on import restrictions. Unless I am instructed to the contrary I propose to offer no objection to such procedure since it may offer possibility of agreement which looks doubtful at present.

Summarizing, today's debate much more important than preceding and shows wide divergence of views as to what form convention should take. Can make no predictions at the present time.

WILSON

560.M2/46 : Telegram

The Chief of the American Delegation (Wilson) to the Secretary of State

GENEVA [, October 20, 1927—10 p. m.]

[Received October 21—1:36 a. m.]

12. My 11, October 20, 10 p. m. I spoke extemporaneously approximately to the following effect in the important sections of the speech. Relative to article 7, I followed instructions closely.

"With regard to article 5 French delegate Serruys was inspired to make the very wise suggestion that we could have the benefit of this debate and the benefit of other suggestions made by other delegations before putting in certain of our amendments. We have been working on an amendment which we have not yet phrased to our satisfaction but which we expect to submit. With reference to the words 'to protect the vital economic and financial interests' we feel that this clause is so broad that its effect might nullify the purpose of this convention. We fear that under the guise of 'vital interests' so many exceptions and prohibitions and limitations can be imposed that the convention may prove of little value if finished in this form. What we are therefore seeking is some phraseology which can perhaps be substituted therefor and we suggest 'in case of war or national calamity'. I do not feel that this constitutes such a change in article 5 as to merit the reproach that this is in effect something quite different from what was anticipated.

With respect to article 4 we feel that we are undertaking a very solemn obligation when we sign this document and that therefore we must know exactly to the last iota the scope and extent of the obligations which we undertake before affixing our signature thereto. We believe that the exchange must be reduced to the necessary minimum but we lay as much emphasis upon the word *necessary* as we do upon the word *minimum*. Despite opinions expressed to the effect that article 2 or other articles may cover any necessary exceptions we are not perfectly certain that an international court which after all is the last resort would agree with the opinions expressed. We therefore want to know before rather than after the fact exactly where we stand. I want to emphasize in connection

with article 4 simply that we must know just where we stand and we must therefore insist or rather urge the acceptance of such a resolution as we submitted regarding standards. Also we must adhere to [and] urge the acceptance of a further resolution proposed by the British delegation regarding prison-made goods which falls within another category of our laws. In so doing we do not feel that we are loosening the convention but rather making it more exact and more obligatory than it is in its present form.

With regard to Sir Sidney Chapman's statement that he felt that the path to follow was to draw up the kind of document that would induce a maximum number of states to adhere thereto, of course we also want to see the maximum number of states adhere to that document. We feel however that there is a certain danger that the Conference may be led in its desire to gather all the states into such fold to sanction international practices which we are brought together to abolish."

WILSON

560.M2/45 : Telegram

*The Secretary of State to the Chief of the American Delegation
(Wilson)*

[Paraphrase]

WASHINGTON, October 21, 1927—6 p. m.

8. Your No. 11, October 20, 10 a. m. Department authorizes you at your discretion to associate yourself with the French suggestion that import and export restrictions be considered separately, and affirmatively urge its adoption. It is Department's view that if suggestion be adopted it might react favorably in solving raw materials and other problems, not in present discussions alone but in future international conferences. Your attention is invited to Department's No. 1, October 17, 5 p. m., paragraph No. 4.

Department approves your action reported your No. 12, October 20, 10 p. m.

KELLOGG

560.M2/47 : Telegram

*The Chief of the American Delegation (Wilson) to the Secretary
of State*

GENEVA, October 21, 1927—9 p. m.

[Received 10:15 p. m.]

13. Group 2, second meeting. Many thanks for prompt instructions in your October 20, 8 p. m., on basis of which I presented our point of view regarding French proposal reported in my 8, October 19, 11 p. m. I was unable to obtain in entirety text desired but believe that a satisfactory compromise was reached. It reads as follows:

"In the case of any prohibitions or restrictions which may be applied within the limits set by the present agreement, the contracting states shall in the matter of licenses comply strictly with the following provisions (first follows (a), (b), (c), and (d) referred to on page 3, last paragraph your 65, and a further paragraph reading as follows:) "As regards the allocation of quotas, the contracting states, without laying down any rule as to the method to be adopted, consider that an equitable distribution of these quotas is an essential condition of an equitable treatment of commerce between states."

I explained that we were primarily concerned with the obligatory character of the contractual obligations and that therefore I preferred that this should be incorporated in the body of the convention. However, it was pointed out, and I think correctly, that the last paragraph is not of such a nature as normally to be included in the body or text of a convention. The committee agreed, however, to incorporate in the protocol the following words: "The present protocol will have the same force, effect and duration as the convention of today's date, of which it is to be considered as an integral part."

I am convinced that the Department will be preoccupied rather with the binding force of this obligation than with its position in the text and since we are satisfied on the first point I acquiesced in this arrangement.

WILSON

560.M2/48: Telegram

The Chief of the American Delegation (Wilson) to the Secretary of State

GENEVA, October 21, 1927—10 p. m.

[Received October 21—9:50 p. m.]

14. Group 2, article 11. In accordance with the intention which I reported in my 5, October 19, 2 p. m., I approached the President of the Conference and explained to him our difficulties regarding this article with a view to achieving its elimination if possible. Colijn stated that he would use every endeavor to find a satisfactory formula but that he considered, and he knew that the Conference agreed with him, that some obligation to report was necessary because of the recalcitrant states in which they could not place confidence. He considered this an essential portion of the convention.

In this afternoon's session fortunately the Egyptian delegate, also representing a nonmember state, suggested an alternative phraseology for this article, which reads as follows:

"In order to indicate the progress which has been made in regard to the abolition of import and export prohibitions or restrictions, the

contracting states will within 12 months of the coming into force in each case of the present agreement communicate to each other through the intermediary of the Secretary General on the subject."

This is based on article 30, chapter 7, of the Second Opium Convention.¹⁸ I then stated that I welcomed this initiative on the part of the Egyptian representative since I also had been troubled about this article; that I would at once report this suggestion to my Government.

From my conversation with Colijn, I am convinced that the convention will carry some article of this nature and after careful consideration and study of similar documents the text quoted above seems as satisfactory from our point of view as can be secured. Short of signing with a reservation excepting this article, which is always to be regretted, I feel that we have no alternative but to support it.

Please instruct.

WILSON

560.M2/49 : Telegram

The Chief of the American Delegation (Wilson) to the Secretary of State

GENEVA, October 21, 1927—11 p. m.

[Received 11:05 p. m.]

15. The *rapporteurs* of group 1 reported out this afternoon the following draft on article 1:¹⁹

"Subject to the exceptions provided for in the following articles of [*and?*] the protocol, each of the high contracting parties undertakes, within a period of six months from the date on which the present convention enters into force as far as it is concerned, to abolish all import and export prohibitions and restrictions, and not thereafter to impose any such prohibitions or restrictions; during this period the high contracting parties shall adopt all practicable measures to reduce existing prohibitions and restrictions to a minimum, and shall refrain from imposing any fresh ones.

The high contracting parties further undertake to adopt all possible necessary measures to see that the provisions of the present agreement are strictly observed by a central or local government, and that no regulation is issued in contravention thereof.

The provisions of the present convention refer to all prohibitions and restrictions on the importation into any of the territories of the high contracting parties of goods produced or manufactured in the territories of any other high contracting party, and the

¹⁸ Signed at Geneva, Feb. 19, 1925; League of Nations Treaty Series, vol. LXXXI, pp. 317, 345.

¹⁹ For certain variations from the draft text of article 1 as here printed, see the text reported to the Conference by committee A (group 1), *Proceedings of the Conference*, p. 161.

exportation of goods from any of the territories of the said parties to the territories of any other high contracting party. The territories here referred to are those to which the convention applies in virtue of article (blank)."

WILSON

560.M2/50 : Telegram

The Chief of the American Delegation (Wilson) to the Secretary of State

GENEVA, October 21, 1927—12 p. m.

[Received October 21—10:45 p. m.]

16. Group 1, Article 6. The *rapporteurs* maintained the standpoint that in view of altered drafting of article 1 the necessity for article 6 no longer existed. The French delegation made suggestion that the question of the rights of retaliation for acts foreseen in article 6 should be referred to the group which handled article 7 on arbitration; since on the nature of the arbitration obligation depended the phraseology relative to rights of retaliation I made a statement based on your 65²⁰ pointing out in addition the intent of the Economic Committee as outlined on page 24 of C.I.A.P.1.

The *rapporteurs* were of the opinion that article 6 was intended to apply only to the relation between contracting and noncontracting states and to provide a method of retaliation against violators of the convention. It was evident that the Economic Committee had had no intention in drafting this article of authorizing tariff reprisals such as are contemplated in section 317.

The chairman requested me not to insist further at the present time on this matter, expressly stating that each state of course retained the right to put in further amendments and proposals to protect their necessary interests. I had no recourse but to acquiesce.

I subsequently had conversation with two members of the Economic Committee separately. Both of them insisted on the following thesis—that the preoccupation of the American delegation relative to its rights to enforce tariff measures was unfounded; that nothing in this convention would or could be construed as affecting the right of any contracting state in this respect, either in reference to noncontracting or contracting states; that since article 6 as well as the whole convention did not envisage tariff matters but merely those prohibitions and restrictions treated under this convention, the importance of article 6 disappeared under the revised form of article 1.

Serruys, the French representative, for his part stated that if we were prepared to suggest any obligation relative to tariffs he was

²⁰ *Ante*, p. 254.

willing to introduce and urge a resolution in the final act expressly stating that nothing in this convention could be construed as interfering with the right of a state to adopt such tariff measures as conformed with its necessities, but that the Conference believed that no state should impose tariff measures in such a way as to thereby replace the restrictions which might be eliminated by this convention.

This brings up a thought to which Department may desire to give careful consideration, namely, whether such a general disclaimer of the purpose of this convention not to interfere in tariff measures is not a sufficient guarantee of our right to take any action envisaged by section 317.

If the Department is interested in this thought, please so instruct me and I will request Serruys to draft for transmission to Department what he proposes to insert. Your criticisms in advance of his proposal would be helpful.

WILSON

560.M2/48 : Telegram

*The Secretary of State to the Chief of the American Delegation
(Wilson)*

WASHINGTON, October 22, 1927—6 p. m.

9. Your 13, October 21, 9 p. m. Compromise regarding Article 3 is acceptable and your acquiescence in it approved.

Your 14, October 21, 10 p. m. You may support Egyptian proposal.

KELLOGG

560.M2/51 : Telegram

*The Chief of the American Delegation (Wilson) to the Secretary
of State*

GENEVA, October 23, 1927—10 p. m.

[Received 11:15 p. m.]

17. Department's 65, October 6. On analysis of paragraphs of article 4 it appears to us that the question of "standards," which you bring up on page 10, may well be covered without further necessary article under paragraph 7, article 4, provided we obtain insertion of the words "and exported" after the word "imported". May I request consideration and instructions on this point?

Considerable reluctance has been expressed in the debate to the general idea of extending the list of articles and it might be easier for us to obtain our desires under the proposed amendment to paragraph 7.

WILSON

560.M2/49 : Telegram

*The Secretary of State to the Chief of the American Delegation
(Wilson)*

[Paraphrase]

WASHINGTON, October 24, 1927—7 p. m.

12. Your No. 15, October 21, 11 p. m. *Rapporteurs'* draft of article 1 is satisfactory to Department.

Your No. 16, October 21, 12 p. m.

(1) Department does not doubt correctness of thesis on which two members of Economic Committee insist, but nevertheless it wishes insertion at appropriate time and place of a provision such as Department suggested in instruction No. 65, October 6. As far as duties are concerned, Mr. Serruys' proposition is satisfactory, though we should prefer "import duties" instead of "tariff measures".

(2) This disclaimer is not sufficient, however, to safeguard section 317 of Tariff Act, under the terms of which the President is authorized, should additional duties fail, to proclaim prohibitions. It follows that if article 6 be omitted, or be inapplicable, you should arrange as unobtrusively as possible for an exception, either in article 4 or somewhere else, to cover this contingency. Following wording is satisfactory to Department:²¹

"The following are not prohibited by the present agreement: Prohibitions or restrictions on the importation of goods to counteract measures of discrimination or unfair competition."

Alternatively, this suggestion might be combined with that made by Serruys by insertion after "necessities" the following:²¹

"or measures to prevent or counteract dumping, discrimination or unfair competition, or to offset bounties or subsidies".

Section 317 of Tariff Act is especially important at present by reason of its connection with present treaty negotiations with France.²² Accordingly, the Department cannot agree to any obligation that would weaken article 317 as an instrument with which commercial equality may be obtained. Closely observe Serruys' attitude toward language calculated to except prohibitions which are made for retaliation against discrimination; and report observations to Department.

Your No. 17, October 23, 10 p. m. Department of Agriculture does not view substitute regarding standards as objectionable, as no change in substance is involved, and you may agree to it tentatively. Additional instructions will be sent you if, on further inquiry, objection appears.

²¹ Quoted passage not paraphrased.

²² See vol. II, pp. 631 ff.

Department wishes you to send French text of document C. I. A. P.1., as well as several more copies of the English text.

KELLOGG

560.M2/92 : Telegram

The Chief of the American Delegation (Wilson) to the Secretary of State

GENEVA, November 4, 1927—1 p. m.

[Received November 4—10:20 a. m.]

54. Plenary session this morning discussed Rumanian reservation export of crude oil, (see my 50, November 3, 8 p. m.²³). Much opposition was expressed to acceptance of the reservation under paragraph 2, article 6, of protocol, without guarantees. Finally, Rumanian delegation made this following declaration:

"The Convention [*Conference*] declares that, in accepting as regards Rumania and having consideration of its exceptional position *de facto* and *de jure*, the exception of crude petroleum under paragraph 2 of article 6, it does not give its approval of measures of prohibition and restriction of this product which it considers very important for international markets. The Conference expresses its confidence that Rumania itself, as soon as circumstances shall permit, will abolish this prohibition in conformity with the spirit of ad article 6, paragraph 2, of the protocol of the convention and that meanwhile it will take into account the interests of neighboring contracting countries. The Rumanian delegation associates itself completely in this declaration of the Conference."

The President requested the delegations to state in roll call whether they approved the principle of extending the categories of reservations and whether they therefore voted to accept the Rumanian reservation. This gave us excellent opportunity to go on record as opposed to extending categories and I therefore stated that my Government attached great importance to limiting these as far as possible and that I was therefore obliged to vote against. Mine was the only negative vote though there were nine abstentions.

The chairman has now asked me whether the acceptance by the Conference of the Rumanian reservation will prevent my Government from signing. Such signing on our part will now imply acceptance of Rumanian reservation. The reservation in itself appears of no economic importance to the United States and my negative vote was intended, as I explained, only to emphasize our attitude on the principle.

²³ Not printed.

The American exception as regards helium gas was accepted without opposition under paragraph 2, article 6 (formerly additional article).

It now becomes important to know at once Department's attitude toward signing. Chairman has called my attention to the fact that unless we can be prepared at final reading Saturday night to affix our signature our reservation on helium must be dropped for the present from the convention and must be submitted again as one of the reservations to be included after signature as provided in protocol [section IV, (d) ad No. 4, (ii) Procedure].²⁴

WILSON

560.M2/92 : Telegram

*The Secretary of State to the Chief of the American Delegation
(Wilson)*

WASHINGTON, November 4, 1927—1 p. m.

20. Your 54, November 4, 1 p. m., last paragraph. You should not sign Saturday night. Draft agreement is extremely complicated and there will not be time for the officials of this Government to give due consideration to the matter. Furthermore, there appears to be no reason for such haste in rushing through a matter of such importance.

KELLOGG

560.M2/120

The Minister in Switzerland (Wilson) to the Secretary of State

No. 190

BERNE, November 22, 1927.

L. N. No. 1010

[Received December 16.]

SIR: I have the honor to submit herewith a report concerning the convention relative to the Abolition of Prohibitions and Restrictions on Exports and Imports.

The convention falls naturally into certain sub-divisions:

Articles 1 and 2 represent the positive achievement of the convention. In these articles the High Contracting Parties undertake to abolish, within a period of six months after the date of the coming into force of the convention, prohibitions and restrictions on export and import.

Articles 4, 5 and 6 contain the list of exceptions. Article 4 contains an enumeration of exceptions under which the signatory states reserve the right to maintain prohibitions and restrictions for certain specified purposes. This class of exceptions are all of a permanent nature.

²⁴ For text of protocol, see *Proceedings of the Conference*, p. 21.

Article 5 provides for those exceptions which may arise of a temporary and unforeseen character. It provides for those acts by states which may be rendered essential by calamities, wars and other unforeseen and non-recurring causes.

Article 6 provides for certain stipulated and listed exceptions specifically reserved for individual states, after an examination on their merits, which are either temporary in character or of no importance to international commerce.

Articles 8 and 9 are the arbitration clauses, the one obligatory on all signatories of the convention and the other optional for such states as desire to extend the scope of arbitration.

Articles 3, 7, 10, 11 and 12 are in the nature of explanatory material, making more precise the limits of the rights and obligations assumed under the convention.

Articles 14 to 19 inclusive, treat the method of signature, ratification and denunciation, as well as the admission of reservations.

As I pointed out in my telegraphic reports from Geneva, it was apparent to one who followed the matter closely that from the first day of the conference the greatest difficulty which would be encountered lay in the determination of the British Delegation to maintain their prohibitions and limitations relative to the import of dye stuffs. Nearly all the other delegations expressed themselves ready to abolish without reservation restrictions and prohibitions. (Whether this was done because they knew that they were entirely safe in promising such procedure because they knew the British would stand firm in their decision, or whether this announcement represented sincere conviction is impossible to say with any degree of certainty. In any case all the principal states are on record as being willing to abolish restrictions and prohibitions, with the exception of those of no commercial importance, if Great Britain will abolish this one restriction.) Therefore, when the moment came to discuss the list of exceptions (now appearing in articles 4, 5 and 6), the conference was faced with the choice either of writing a convention so phrased as to admit the claim of Great Britain and thus permit her to be a signatory, or to draft a convention as tight as or tighter than the original draft of the Economic Committee. Great Britain would then not have signed the convention. Rightly or wrongly, the choice was made in favor of the first alternative and it can be said roughly that the type of convention which issued from the conference was designed in its broad lines to meet the needs of Great Britain and make it possible for that nation to be a signatory.

As I examine the protocol to the convention, it does not seem necessary to enter into any detailed analysis. The articles are interpretative in character and those which are of particular interest to

us I have discussed already in my preceding reports, both telegraphic and written.

Also in regard to the Final Act, if the Department will be good enough to consult the Legation's despatches Nos. 170 of November 9, 1927 and 171 of November 10, 1927, together with my telegram from Geneva, No. 59 of November 7, 11 p. m.,²⁵ it will have before it a complete outline of the articles to which we took exception and of the failure to have these exceptions accepted by the conference. I merely reiterate what I have before stated, that the Final Act has no binding force, it is not signed by the delegates as Plenipotentiaries of their Government, but is open for signature to any person who attended the Conference. It is a compilation of resolutions adopted by the individuals attending the conference. A signatory state may instruct its delegate to sign the convention and protocol without instructing him to sign the Final Act.

Relative to the convention itself, I append herewith an analysis²⁶ in which the convention, as finally signed, is compared article by article with the original draft text of the convention issued by the Economic Committee. At the same time short notes and comments are appended, together with reference to those telegrams and despatches which deal with the particular subject. In the preparation of this annex I am indebted in a large measure to Dr. Lyon, the Commercial Attaché of this Legation.

Certain observations of a general nature occur to me. The convention, as the Department will note, is of a reciprocal nature and this theory of reciprocity has been emphasized in article 1. The benefits of the abolition of restrictions and prohibitions accrue only to those states which sign the convention. As a corollary to this situation there is nothing to prevent a state signatory to the convention from increasing in any way it sees fit its present categories of prohibitions and restrictions as against a state which is not a signatory to the convention, so long as such action does not unduly affect the trade of another signatory power.

There are certain faults, some obvious and some not so visible in the convention. It is to be regretted that exceptions are permitted of any class or kind. The convention would have been a simpler document and a much more satisfactory document, from our point of view, had the original text of the Economic Committee not only been adhered to but strengthened, especially as to article 5. Also the further meeting which will take place in the early summer of 1928

²⁵ None printed; for minutes concerning adoption of the final text of the final act of the Conference, see *Proceedings of the Conference*, p. 140.

²⁶ Not printed.

will be faced with a number of very thorny questions; for example, the decision as to what states must ratify the convention before it enters into effect. It is a pity that this decision had to be deferred to a future date but there seemed no possibility of reaching a solution until the convention was finally drawn up and until a full knowledge was available of all the reservations that would form part of it. Also the permission for states to introduce other reservations up to February 1st which may be discussed at this future conference may bring further difficult questions, although urgent pleas were made in the conference and the hope was expressed that the reservations should rather be reduced than increased by that time. The long delay which must elapse before the convention can be effective (at the earliest this can hardly take place before the summer of 1929) is also a source of regret. However, this is somewhat mitigated by the fact that a signatory power undertakes not to increase its prohibitions or restrictions during this period.

As opposed to these weaknesses there would appear to be certain advantages which would accrue to the United States if it participated in this treaty. In spite of the many reservations, there will be, if the treaty goes into force, an enormous number of prohibitions and restrictions abolished. The reservations do not appear to be of such a nature that they greatly affect the trade of the United States, whereas many of the restrictions that will be dropped in favor of signatory states do so affect our trade very seriously.

Should the Government of the United States decide that this treaty should be signed I call attention to the fact that it would be well if this decision were taken before the 1st of February 1928, since states signing the treaty after that date may not present reservations under article 6.²⁷ While many of the delegates held that our prohibition of export of helium is adequately covered in article 4, paragraph 2, there were others who took a contrary view. I consider it advisable, therefore, in the event that we do sign, that we should make a definite reservation regarding helium and not be put on the defensive in the future regarding our maintenance of this prohibition.

I am appending herewith certain communications which I have received from the advisers containing their views regarding the convention which was eventually signed.²⁸

I have [etc.]

HUGH R. WILSON

²⁷ The convention was signed on the part of the United States, Jan. 30, 1928; Department of State Treaty Series No. 811.

²⁸ Communications not printed.

PARTICIPATION OF THE UNITED STATES IN MEETING OF THE COMMITTEE OF EXPERTS ON DOUBLE TAXATION AND TAX EVASION, LONDON, APRIL 4-12, 1927²⁹

551.2 A 2/- : Telegram

The Chargé in Switzerland (Marriner) to the Secretary of State

BERNE, January 13, 1927—noon.

[Received 2:30 p. m.]

7. My 138, December 28, 3 p. m.³⁰ Letter from League Secretariat states that on January 12th experts on double taxation decided to hold next meeting in London on April 4th, 1927, and have expressed the hope that an expert from the United States will take part in that meeting.³¹

Secretariat requests to be informed as soon as possible of name of American expert so that formal invitation may be sent him.

MARRINER

551.2 A 2/5 : Telegram

The Secretary of State to the Chargé in Switzerland (Marriner)

WASHINGTON, February 17, 1927—1 p. m.

19. Your despatch No. 1080, January 13, 1927.³⁰ You may advise the Secretary General of the League that this Government takes pleasure in designating Professor Thomas S. Adams, of Yale University, New Haven, Connecticut, as an American expert to attend the forthcoming meeting of the Committee of Experts on Double Taxation and Tax Evasion at London, April 4, 1927.

KELLOGG

551.2 A 2/8

Memorandum by Mr. Wallace McClure, Assistant to the Economic Adviser

[WASHINGTON,] March 16, 1927.

Professor Adams called at the Office of the Economic Adviser on Thursday afternoon, March 10, 1927, for the purpose of discussing with officers of the Department of State certain questions suggested by Professor Adams' mission to represent this Government at the forthcoming League of Nations Conference on double taxation.

²⁹ For report of the sessions of this Committee, see League of Nations, *Double Taxation and Tax Evasion: Report Presented by the Committee of Technical Experts on Double Taxation and Tax Evasion* (C.216.M.85.1927.II).

³⁰ Not printed.

³¹ The United States had not been represented at the meeting of the Committee of Experts on Double Taxation and Tax Evasion at Geneva on Jan. 5, 1927.

Those present were, besides Professor Adams, Doctor Arthur N. Young, Economic Adviser; Mr. C. M. Barnes, Assistant Solicitor; Mr. F. D. K. LeClercq, of the Division of Western European Affairs, and Mr. Wallace McClure, Assistant to the Economic Adviser.

Professor Adams discussed briefly certain recent developments in the matter of double taxation among European countries, especially the considerable multiplication of bilateral treaties for the purpose of avoiding double taxation. He mentioned the fact that the program of the forthcoming Conference calls for the preparation of a model bilateral treaty for recommendation to countries which may desire to negotiate on the subject. Those present were inclined to the view that while a multilateral convention, open to signature by all countries, would theoretically, at least, prove a better solution to the problem of double taxation, such a solution might not now be practicable.

Professor Adams inquired concerning the attitude of the Department of State toward treaty provisions which might have the effect of overruling Acts of Congress. He had in mind the possibility of a convention on double taxation later being negotiated that might contain provisions different from those of our national revenue laws. The representatives of the Department of State stated that as a matter of policy the Department undertook so far as possible to avoid placing in its treaties provisions which might be in conflict with existing statute law. It was suggested that it would be best to put in the next revenue law some general provision contemplating reciprocal agreements to avoid double taxation.

The possible usefulness of the most-favored-nation clause in solving the problem of double taxation was discussed. Professor Adams inquired particularly whether provisions in recent commercial treaties might have any relation to the problem in hand. The representatives of the Department of State were of opinion that the most-favored-nation clause in the treaty with Germany (December 8, 1923)³² and similar treaties subsequently concluded, did not apply to internal taxation, and that the provisions in Article I and Article VIII of the German treaty in regard to taxation did not provide for most-favored-nation treatment. It is customary in treaties to accord national rather than most-favored-nation treatment. It was further suggested that the most-favored-nation clause would probably not be useful in solving matters of double taxation at the present time. The practice of various countries, so far as the imposition of double taxation is concerned, is now so diverse as to make it of doubtful policy for a country to promise in advance to accord to any particular country as good treatment as it may bargain for in the future with

³² *Foreign Relations*, 1923, vol. II, p. 29.

some third country. It was thought that the right to make special bargains on the subject, without being committed in advance to generalize the concessions granted, would for the present, perhaps, be the appropriate policy for this Government to follow.

Professor Adams indicated that he expected concrete results from the forthcoming Conference and that, though at first dubious of the practical purposes of those backing it, he was now convinced that they intended to accomplish something, and that the countries of Europe were prepared to come to agreements on many points, reserving other points for the reconciliation of differences of opinion and probable agreement in the future.

W[ALLACE] MoC[LURE]

**RADIOTELEGRAPH CONVENTION BETWEEN THE UNITED STATES
AND OTHER POWERS, SIGNED NOVEMBER 25, 1927 ³⁴**

Treaty Series No. 767

*Radiotelegraph Convention Between the United States of America
and Other Powers, Signed at Washington, November 25, 1927 ³⁵*

INTERNATIONAL RADIOTELEGRAPH CONVENTION

Concluded among the Governments of:

Union of South Africa, French Equatorial Africa and other colonies, French West Africa, Portuguese West Africa, Portuguese East Africa and the Portuguese Asiatic possessions, Germany, Argentine Republic, Commonwealth of Australia, Austria, Belgium, Bolivia, Brazil, Bulgaria, Canada, Chile, China, Republic of Colombia, Spanish Colony of the Gulf of Guinea, Belgian Congo, Costa Rica, Cuba, Curaçao, Cyrenaica, Denmark, Dominican Republic, Egypt, Republic of El Salvador, Eritrea, Spain, Estonia, United States of America, Finland, France, Great Britain, Greece, Guatemala, Republic of Haiti, Republic of Honduras, Hungary, British India, Dutch East Indies, French Indo-China, Irish Free State, Italy, Japan, Chosen, Taiwan, Japanese Sakhalin, the Leased Territory of

³⁴ For correspondence preliminary to the meeting of the Third International Radiotelegraph Conference at which this convention was signed, see *Foreign Relations*, 1925, vol. 1, pp. 297 ff. For proceedings of the Conference, see Executive Document B, 70th Cong., 1st sess., p. 77. For text of the general regulations and appendixes to this convention, and for text of the supplementary regulations (not signed by the United States), see *ibid.*, p. 1; or the Department of State Treaty Series No. 767; or, 45 Stat. 2760.

³⁵ Signed in French; the translation printed in the Department of State Treaty Series is reproduced here. Ratification advised by the Senate, Mar. 21 (legislative day of Mar. 20), 1928; ratified by the President, Oct. 8, 1928; ratification of the United States deposited, Oct. 8, 1928; proclaimed by the President, Jan. 1, 1929.

Kwantung and the South Sea Islands under Japanese Mandate, Republic of Liberia, Madagascar, Morocco (with the exception of the Spanish Zone), Mexico, Monaco, Nicaragua, Norway, New Zealand, Republic of Panama, Paraguay, the Netherlands, Persia, Peru, Poland, Portugal, Rumania, Kingdom of the Serbs, Croats, and Slovenes, Siam, Italian Somaliland, Sweden, Switzerland, Surinam, Syro-Libanese Territories, Republic of San Marino, Czechoslovakia, Tripolitania, Tunis, Turkey, Uruguay, and Venezuela.

The undersigned, plenipotentiaries of the Governments of the countries enumerated above, having met in conference at Washington, have, by common accord and subject to ratification, concluded the following Convention:

ARTICLE 1—*Definitions*

In the present Convention:

The term "radio communication" applies to the transmission by radio of writing, signs, signals, pictures, and sounds of all kinds by means of Hertzian waves.

The term "radio communication station" or simply "station" means a station equipped to carry on radio communications.

The term "fixed station" means a station permanently located and communicating with one or more stations similarly located.

The term "mobile station" means a station capable of moving and which ordinarily does move.

The term "land station" means a station other than a mobile station used for radio communication with mobile stations.

The term "mobile service" means the radio communication service carried on between mobile stations and land stations, and by mobile stations communicating among themselves.

The term "international service" means a radio communication service between a station in one country and a station in another country, or between a land station and a mobile station located outside the limits of the country in which the land station is situated, or between two or more mobile stations on or over the high seas. An internal or national radio communication service which is likely to cause interference with other services outside the limits of the country in which it operates is considered as an international service from the viewpoint of interference.

The term "general communication system" means all the existing telegraph and telephone channels of communication, wire and radio, open to public service, but excluding the radio communication channels of the mobile service.

The term "public service" means a service for the use of the general public.

The term "limited service" means a service which may be used only by specified persons or for specific purposes.

The term "public correspondence" means all radio communications which a station, by reason of being open to public service, must accept from the public for transmission.

The term "private enterprise" means any person, company, or corporation which operates one or more stations for radio communication.

The term "radiotelegram" means a telegram originating in or destined to a mobile station, transmitted by radio over all or part of its route.

ARTICLE 2—*Scope of the Convention*

§1. The contracting Governments undertake to apply the provisions of the present Convention to all radio communication stations established, or operated by the contracting Governments, and open to the international service of public correspondence. They undertake likewise, to apply these provisions to the special services covered by the Regulations annexed to the present Convention.

§2. They agree, moreover, to take or to propose to their respective legislatures the necessary measures to impose the observance of the provisions of the present Convention and the Regulations annexed thereto upon individuals and private enterprises authorized to establish and operate radio communication stations in the international service, whether or not open to public correspondence.

§3. The contracting Governments recognize the right of two contracting Governments to organize radio communications, between themselves, provided only that they conform to all provisions of the present Convention and the Regulations annexed thereto.

ARTICLE 3—*Intercommunication*

§1. (1) So far as international communications between fixed stations are concerned, each contracting Government reserves entire freedom with relation to the organization of the service and the determination of the correspondence to be exchanged by the stations carrying on these communications.

(2) When, however, these fixed stations carry on an international service of public correspondence, either from country to country or with stations in the mobile service, they must conform, respectively, for each of these two classes of communications, to the provisions of the present Convention and of the Regulations annexed thereto.

§2. With regard to communications between stations participating in the mobile service, stations carrying on such communications must,

within the limits of their normal operations, exchange radiotelegrams reciprocally without regard to the radio system adopted by them.

§3. In order not to impede scientific progress, however, the provisions of the preceding paragraph shall not prevent the eventual use of a radio system incapable of communicating with other systems, provided that this incapacity be due to the specific nature of that system and it be not the result of devices adopted solely for the purpose of preventing intercommunication.

ARTICLE 4—*Limited service*

Notwithstanding the provisions of Article 3, a radio communication station may be assigned to a limited international service of public correspondence determined by the purpose of the correspondence or by other circumstances independent of the system employed.

ARTICLE 5—*Secrecy of correspondence. False or deceptive signals*

The contracting Governments agree to take or to propose to their respective legislatures the necessary measures to prevent:

(a) The unauthorized transmission and reception by means of radio installations of correspondence of a private nature.

(b) The unauthorized divulging of the contents, or simply of the existence, of correspondence which may have been intercepted by means of radio installations.

(c) The unauthorized publication or use, of correspondence received by means of radio installations.

(d) The transmission or the placing in circulation of false or deceptive distress signals or distress calls.

ARTICLE 6—*Investigation of violations*

The contracting Governments undertake to aid each other by supplying information concerning violations of the provisions of the present Convention and of the Regulations annexed thereto, as well as, if necessary, in the prosecution of persons violating these provisions.

ARTICLE 7—*Connection with the general communication system*

Each of the contracting Governments agrees to take the necessary measures in order that land stations established on its territory and open to the international service of public correspondence shall be connected with the general communication system or at least to take steps to assure rapid and direct exchanges between these stations and the general communication system.

ARTICLE 8—Exchange of information regarding stations and service

The contracting Governments shall notify each other, through the intermediary of the International Bureau of the Telegraph Union, of the names of stations open to the international service of public correspondence and of stations carrying on special services covered by the Regulations annexed to the present Convention, as well as of all data for facilitating and expediting radio communication.

ARTICLE 9—Special devices

Each of the contracting Governments reserves the right to prescribe or permit, in the stations covered by Article 8, independent of the installation, the data relating to which shall be published in accordance with that Article, other devices to be established and operated for special radio transmission, without publishing the details of such devices.

ARTICLE 10—Conditions to be observed by stations. Interference

§1. The stations covered by Article 2 must, so far as practicable, be established and operated under the best conditions known to the practice of the service and must be maintained abreast of scientific and technical progress.

§2. All stations, whatever their purpose, must, so far as practicable, be established and operated so as not to interfere with the radio communications or services of other contracting Governments and of individuals or of private enterprises authorized by these contracting Governments to carry on public radio communication service.

ARTICLE 11—Priority for distress calls

Stations participating in the mobile service shall be obliged to give absolute priority to distress calls, regardless of their origin, to answer such calls, and to take such action with regard thereto as may be required.

ARTICLE 12—Charges

Charges applicable to radiotelegrams and the various cases in which these are allowed radio franking privileges shall be established in accordance with the provisions of the Regulations annexed to the present Convention.

ARTICLE 13—Regulations. Conferences

§1. The provisions of the present Convention are completed by:

- (1) General Regulations which have the same force and become effective at the same time as the Convention.
- (2) Supplementary Regulations which bind only the Governments which have signed them.

§2. The provisions of the present Convention and of the Regulations annexed thereto shall be revised by conferences of Plenipotentiaries of the contracting Governments, each conference fixing the place and the time of the following meeting.

§3. Before any deliberation each Conference shall establish Rules of Procedure setting forth the conditions under which debate shall be organized and carried on.

ARTICLE 14—*Special arrangements*

The contracting Governments reserve for themselves and for private enterprises duly authorized by them the right to make special arrangements on matters of service which do not interest the Governments generally. These arrangements, however, must be in conformity with the Convention and the Regulations annexed thereto so far as concerns the interference which their execution might produce with the services of other countries.

ARTICLE 15—*Suspension of the service*

Each government reserves the right to suspend international radio communication service for an indefinite period, if deemed necessary either generally or only for certain connections and/or for certain kinds of radio communication, provided that it shall immediately so advise each of the other contracting Governments through the intermediary of the International Bureau of the Telegraph Union.

ARTICLE 16—*International Bureau*

§1. The International Bureau of the Telegraph Union shall be charged with collecting, coordinating, and publishing information of all kinds relative to radio services, with examining the requests for changes in the Convention and the Regulations annexed thereto, with promulgating the amendments adopted, and generally with performing all administrative tasks with which it shall have been charged in the interest of international radio services.

§2. The expenses resulting from these activities shall be borne by all the contracting Governments in the proportion fixed by the General Regulations.

ARTICLE 17—*International technical consulting committee on radio communications*

§1. An International Technical Consulting Committee on Radio Communications shall be established for the purpose of studying technical and related questions pertaining to these communications.

§2. Its composition, activities, and operations shall be defined in the General Regulations annexed to the present Convention.

ARTICLE 18—*Relations with stations of non-contracting countries*

§1. Each of the contracting governments reserves the right to determine the conditions under which it will accept telegrams or radiotelegrams originating in or destined to a station not subject to the provisions of the present Convention.

§2. If a telegram or a radiotelegram is accepted, it must be transmitted, and the usual charges must be applied to it.

ARTICLE 19—*Adherences*

§1. (1) Governments which are not parties to the present Convention shall be permitted to adhere to it upon their request.

(2) Such adherence shall be communicated through diplomatic channels to the contracting Government within whose territory the last Conference shall have been held and by the latter to the remaining Governments.

(3) The adherence shall carry with it to the fullest extent acceptance of all the clauses of the present Convention and admission to all the advantages stipulated therein.

§2. (1) The adherence to the Convention by the Government of a country having colonies, protectorates, or territories under sovereignty or mandate shall not carry with it the adherence of these colonies, protectorates, or territories under sovereignty or mandate, unless a declaration to that effect is made by that Government.

(2) Such colonies, protectorates, or territories under sovereignty or mandate as a whole, or each of them separately, may form the subject of a separate adherence or of a separate denunciation within the provisions of the present Article and of Article 23.

ARTICLE 20—*Arbitration*

§1. In case of disagreement between two contracting Governments, regarding the interpretation or execution of the present Convention or of the Regulations provided for in Article 13, the question must, at the request of one of these governments, be submitted to arbitration. For that purpose each of the Governments involved shall choose another Government not interested in the question at issue.

§2. If agreement between the two arbitrators can not be reached the latter shall appoint another contracting Government equally disinterested in the question at issue. If the two arbitrators can not agree upon the choice of this third Government, each arbitrator shall propose a contracting Government not interested in the dispute; and lots shall be drawn between the Governments proposed. The drawing shall devolve upon the Government within whose territory the International Bureau mentioned in Article 16 operates. The decision of the arbitrators shall be by majority vote.

ARTICLE 21—Exchange of laws and regulations

The contracting Governments shall communicate to one another, if they deem it useful, through the intermediary of the International Bureau of the Telegraph Union, the laws and regulations which have been or which may be promulgated in their countries relative to the object of the present Convention.

ARTICLE 22—Naval and military installations

§1. The contracting Governments retain their entire liberty regarding radio installations not covered in Article 2, and especially with reference to naval and military installations.

§2. All these installations and stations must, so far as practicable, comply with the provisions of the regulations regarding help to be given in case of distress and measures to be taken to prevent interference. They must also, so far as practicable, observe such provisions of the regulations as concern the types of waves and the frequencies to be used, according to the kind of service which these stations carry on.

§3. When, however, these installations and stations are used for public correspondence or participate in the special services governed by the Regulations annexed to the present Convention, they must, in general, conform to the provisions of the Regulations for the conduct of these services.

ARTICLE 23—Execution, duration and denunciation

§1. The present Convention shall go into effect on January 1, 1929; and shall remain in force for an indeterminate period and until one year from the day on which a denunciation thereof shall have been made.

§2. The denunciation shall affect only the Government in whose name it has been made. The Convention shall remain in force for the other contracting Governments.

ARTICLE 24—Ratification

§1. The present Convention shall be ratified and the ratifications thereof shall be deposited in Washington with the least practicable delay.

§2. In case one or more of the Contracting Governments should not ratify the Convention it shall be none the less binding upon the Governments which shall have ratified it.

In witness whereof, the respective Plenipotentiaries have signed the Convention in a single copy, which shall remain in the archives

of the Government of the United States of America and one copy of which shall be sent to each Government.

Done at Washington, November 25, 1927.

For the Union of South Africa:

H. J. LENTON

W. F. C. MORTON

For French Equatorial Africa and other Colonies:

CASSAGNAC

For French West Africa:

CASSAGNAC

For Portuguese West Africa:

ARNALDO DE PAIVA CARVALHO

For Portuguese East Africa and the Portuguese Asiatic Possessions:

MARIO CORRÊA BARATA DA CRUZ

For Germany:

OTTO ARENDT

HERMANN GIESS

H. HARBICH

ARTHUR WERNER

GÜNTHER SUADICANI

E. L. BAER

For the Argentine Republic:

FELIPE A. ESPIL

LUIS F. ORLANDINI

FRANCISCO LAJOUS

For the Commonwealth of Australia:

H. P. BROWN

For Austria:

DR. MAXIMILIAN HARTWICH

ENG. HANS PFEUFFER

For Belgium:

J. PIERART

GOLDSCHMIDT

G. VINCENT

For Bolivia:

GEO. DE LA BARRA

For Brazil:

P. COELHO DE ALMEIDA

FREDERICO VILLAR

MANUEL F. SIMÕES AYRES

For Bulgaria:

ST. BISSEROFF

For Canada :

A. JOHNSTON
LAURENT BEAUDRY
C. P. EDWARDS
W. ARTHUR STEEL

For Chile :

I. HOLGER

For China :

CHIN CHUN WANG
CHANG-HSŪAN
HING GING Y. LEE
TI-CHING WU

For the Republic of Colombia :

ENRIQUE OLAYA H.

For the Spanish Colony of the Gulf of Guinea :

ADOLFO H. DE SOLÁS

For the Belgian Congo :

J. PIERART
G. VINCENT
ROBERT GOLDSCHMIDT

For Costa Rica :

J. RAFAEL OREAMUNO

For Cuba :

L. ALBURQUERQUE
GONZALO GÜELL
LUIS MARINO PÉREZ

For Curaçao :

G. SCHOTEL

For Cyrenaica :

PAOLO ZONTA

For Denmark :

T. G. KRARUP
C. WAMBERG

For the Dominican Republic :

M. L. VASQUEZ G.

For Egypt :

HORACE MAYNE
ALY IBRAHIM

For Eritrea :

CESARE BARDELONI

For Spain :

MARIANO AMOEDO
ANTONIO NIETO
ADOLFO H. DE SOLAS
JOSE SASTRE

For Estonia :

G. JALLAJAS

For the United States of America :

HERBERT HOOVER

STEPHEN DAVIS

JAMES E. WATSON

E. D. SMITH

WALLACE H. WHITE, Jr.

W. R. CASTLE, Jr.

WILLIAM ROY VALLANCE

C. McK. SALTZMAN

THOS. T. CRAVEN

W. D. TERRELL

OWEN D. YOUNG

SAMUEL REBER

J. BEAVER WHITE

ARTHUR E. KENNELLY

For Finland :

L. ÅSTRÖM

For France :

L. BOULANGER

For Great Britain :

T. F. PURVES

J. JOYCE BRODERICK

F. W. PHILLIPS

F. W. HOME

L. F. BLANDY

Air Commodore

C. H. BOYD

A. LESLIE HARRIS

For Greece :

TH. PENTHEROUDAKIS

For Guatemala :

J. MONTANO N.

For the Republic of Haiti :

RAOUL LIZAIRE

For the Republic of Honduras :

LUIS BOGRÁN

For Hungary :

BERNARD DE PASKAY

For British India :

P. J. EDMUNDS

P. N. MITRA

For the Dutch East Indies:

G. C. HOLTZAPPEL
 WARNSINCK
 G. SCHOTEL
 VAN DOOREN

For the French Indo-China:

G. JULLIEN

For the Irish Free State:

P. S. MACCATHMHAOIL
 T. S. O'MUINEACHAIN

For Italy:

GUISEPPE GNEME
 GIACOMO BARBERA
 GINO MONTEFINALE

For Japan:

For Chosen, Taiwan, Japanese Sakhalin, the Leased Territory
 of Kwantung and the South Sea Islands under Japanese
 Mandate:

S. SAWADA
 N. MORITA
 K. NISHIZAKI
 I. YAMAMOTO
 SANNOSUKE INADA
 T. USHIZAWA
 T. NAKAGAMI

For the Republic of Liberia:

ERNEST LYON, Subj. to the ratification of the Senate

For Madagascar:

G. JULLIEN

For Morocco (with the exception of the Spanish Zone):

FREDERIC KNOBEL

For Mexico:

PEDRO N. COTA
 JUAN B. SALDAÑA

For Nicaragua:

MANUEL ZAVALA

For Norway:

N. NICKELSEN
 HARMOD PETERSON
 P. TENNFJORD
 J. J. LARSEN

For New Zealand:

A. GIBBS

For the Republic of Panama :

R. J. ALFARO

For Paraguay :

JUAN VICENTE RAMÍREZ

For the Netherlands :

G. J. HOFKER

J. A. BLAND VAN DEN BERG

W. KRUIJT

E. F. W. VÖLTER

WARNSINCK

For Peru :

A. GONZÁLES-PRADA

For Persia :

D. MEFTAH

en referendum

For Poland :

EUGÈNE STALLINGER

For Portugal :

JOSÉ DE LIZ FERREIRA JUNIOR

For Rumania :

G. CRETZIANO (*ad referendum*)

For the Republic of El Salvador :

FRANCISCO A. LIMA

For the Kingdom of the Serbs, Croats and Slovenes :

V. ANTONIÉVICH

For Siam :

NIDES VIRAJAKICH

For Italian Somaliland :

VALERIO DELLA CAMPANA

For Sweden :

HAMILTON

LITSTRÖM

LEMOINE

For Switzerland :

E. NUSSBAUM

For Surinam :

G. SCHOTEL

For the Syro-Libanese Territories :

FREDERIC KNOBEL

For the Republic of San Marino :

FRN. FERRARI

For Czechoslovakia :

DR. OTTO KUČERA

ENG. STRNAD

For Tripolitania:

SETTIMIO AURINI

For Tunis:

FREDERIC KNOBEL

For Turkey:

J. A. BLAND VAN DEN BERG

For Uruguay:

VARELA

For Venezuela:

LUIS CHURION

PROPOSED DISPOSITION OF PROPERTY HELD BY THE ALIEN
PROPERTY CUSTODIAN⁸⁶

763.72113 Au 7/16

The Austrian Minister (Prochnik) to the Secretary of State

No. 2382/70

WASHINGTON, November 29, 1927.

EXCELLENCY: The return to its rightful owners of Austrian property held by the Alien Property Custodian is a matter in which the Federal Government of Austria is deeply concerned. Insignificant as the amount involved may appear in comparison to the figures tipping the scale of financial and economic balance in the United States it is of no small consequence in the combine of measures partly taken partly under contemplation in Austria with a view of restoring private business to a state of normalcy. It is the conviction of my Government that the successful restoration of public household could only be of lasting duration, if the efforts made in aforementioned direction will meet a like success.

The Austrian property is held, as Your Excellency are aware of, as a security, to insure payment of claims, which the Government or citizens of the United States or both may have against the Austrian Government for damages resulting from acts of war. These potential claims, claims against the Government, are therefore responsible for the failure of Austrian private citizens and rightful owners obtaining their property seized in this country during the war.

The Federal Government of Austria keenly feels this responsibility, the more so, as Congress had in connection with the Winslow-Act⁸⁷ resolved, that enemy property in excess of \$10,000. should be further retained—until "other suitable provisions" are made by the respective Governments to take care of American War Claims.

⁸⁶ Continued from *Foreign Relations*, 1926, vol. I, pp. 125-145.

⁸⁷ Approved Mar. 4, 1923; 42 Stat. 1511.

My Government, as Your Excellency may recall, tried at two previous occasions³⁸ to free private property from restrictions incurred through their own obligations and sought to provide by an agreement for such "other suitable provisions", which would be accepted in lieu of seized private property and open the way for an Act by Congress returning it to the rightful Austrian owners.

These efforts failed for two reasons chiefly.—First, because the work of the Tripartite Claims Commission, adjusting American claims, had not sufficiently progressed to enable a somewhat accurate estimate as to the magnitude of claims involved, and second, because the securities offered by the Austrian Federal Government did not seem to satisfy the Government of the United States and the Treasury Department in particular.

The present state of affairs in the Tripartite Claims Commission, however, is now sufficiently advanced to permit a calculation of the sums which in due course of procedure will be charged against the Austrian Federal Government and to make a new and precise offer for their payment.

I am in a position to submit on behalf of my Government the following proposal. The Austrian Federal Government is ready to place at the disposal of the Government of the United States the money held in Trust by the Alien Property Custodian for the Austrian Government including the Imperial Royal Tobacco Monopoly also known under the name of K. K. Österreichische Tabak Regie, and to supplement it by a cash deposit up to a total of two and a quarter million dollars. This sum, although it will prove to more than fully cover the awards ultimately to be rendered by the Tripartite Claims Commission and charged against my Government, is offered in this extent with a purpose of allowing an ample margin and removing all conceivable causes which may obstruct a speedy return of seized Austrian property.

The Austrian Federal Government asks the Government of the United States to recommend to Congress in course of its next session an Act of legislation which would authorize the Alien Property Custodian to release Austrian property as soon as it has been ascertained in a statement made by competent authorities (Treasury of the United States in agreement with Hon. Edwin Parker, Commissioner, Tripartite Claims Commission) that a sufficient cash amount has been

³⁸ See the Austrian Minister's letter to the Under Secretary of the Treasury, Nov. 10, 1926, *Foreign Relations*, 1926, vol. i, p. 138. A modification of the plan proposed in that letter was submitted by the Austrian Legation in January 1927 (not printed). The Secretary of the Treasury in a letter to the Secretary of State, Feb. 5, 1927 (not printed), stated that in view of lack of information and the impossibility of obtaining action in the current session of Congress it would be best to defer action until the next session of Congress (file No. 763.72113 Au 7/13).

deposited by the Federal Government of Austria to take care of all her obligations arising from awards rendered and to be rendered by said Commission.

The decision, when the moment for making such a declaration has come, will be left entirely to the discretion of the said competent authorities. The Federal Government of Austria believes, however, that in the near future the work of the Tripartite Claims Commission will be far enough advanced to allow, even before a complete adjustment of all claims, a statement as afore indicated.

This would be the case f. i. if the Commissioner and the American Agent in course of the proceedings of the Tripartite Claims Commission should come to the conclusion that the total of the awards already rendered as well as the claims still under consideration will at their highest possible extent and value not exceed the 2¼ million cash deposit.

I have the honor to pray Your Excellency to kindly support my Governments request and offer. I may add that the prerequisite prescribed by Congress for the return of property, i. e. the making of "other *suitable* provisions" for the satisfaction of American claims, seems more than fully complied with in the offer of a cash security and payment made by my Government. While in view of American traditions and the policy followed by Your Government the seized private property could hardly be regarded a true collateral, (American opinion being loath to satisfy claims against a Government with property seized from private citizens) the cash deposit of my Government is lacking this deficiency in its character as a security or collateral, offering no moral or judicial objections against its application towards the settlement of just American claims against the Austrian Government.

Accept [etc.]

EDGAR PROCHNIK

763.72113 Au 7/17

The Secretary of State to the Chairman of the Committee on Ways and Means of the House of Representatives (Green)

WASHINGTON, December 10, 1927.

MY DEAR MR. GREEN: I have been informed by your office that you desire to receive, for the information of the Committee, a statement from me outlining the considerations involved in the question whether provision should be made for the return of Austrian and Hungarian property at the same time as provision is made for the return of the German property sequestered by the Alien Property Custodian, and that in particular you would be pleased to know what, if any, representations in the matter may have been made to

the Department of State by the Austrian and Hungarian Governments.

In a note dated November 29, 1927, the Austrian Minister submitted on behalf of his Government a proposal from which I understand that the Austrian Government is prepared to place at the disposal of the Government of the United States for the purpose of satisfying the awards made against Austria by the Tripartite Claims Commission, United States, Austria and Hungary, a sum of not more than two and one quarter million dollars in cash, this sum to be composed of the funds held by the Alien Property Custodian which at the time of sequestration belonged to the Austrian Government as such, including funds of the State owned Tobacco Monopoly (K. K. Österreichische Tabak Regie), and of such further deposit in cash as may be necessary to bring the total up to the sum of two and one quarter million dollars. If this proposal is acceptable to the Government of the United States, the Austrian Government requests that appropriate recommendation be made to the Congress for the enactment during the present session of an act of legislation authorizing the Alien Property Custodian to release Austrian property as soon as it has been ascertained by the competent authorities (for example, the Treasury Department and the Commissioner of the Tripartite Claims Commission) that the sum of two and one quarter million dollars deposited by the Austrian Government is sufficient to satisfy the awards made by the Commission against Austria. A copy of the note from the Austrian Minister is transmitted herewith.^{88a}

It is my understanding that the figure of two and one quarter million dollars mentioned by the Austrian Minister is based upon an estimate prepared by the Austrian Agent before that Commission of the maximum probable awards against Austria. An estimate has also been prepared by the American Agent, and I transmit herewith a copy of the latter's memorandum containing his estimate which, you will note, exceeds the two and one quarter million dollars fixed by the Austrian Government as the amount it will make available for the satisfaction of the awards.

In considering whether the present proposal of the Austrian Government may be regarded as constituting suitable provision for the satisfaction of the awards made in favor of American claimants, your Committee will no doubt wish to satisfy itself that the amount of the awards with interest will not exceed the sum available for their satisfaction. In this connection there are two considerations which I feel should be brought to your attention.

^{88a} *Supra.*

In the first place it should be noted that the Commissioner of the Tripartite Claims Commission has held that, unless the Congress decides to apply the property sequestered by the Alien Property Custodian to satisfy the awards of the Commission, neither the Austrian nor the Hungarian Government is liable for debts owing by its nationals to American nationals in respect of which the said Governments employed no measures in the nature of exceptional war measures, or measures of transfer, nor can such debts expressed in Austrian or Hungarian currency be valorized at the prewar rate of exchange, viz. 9.36 cents to the crown. The Commissioner held that

" . . . in the event the Government of the United States, through its lawmaking power, should elect to adopt the method of payment or procedure provided for by paragraph (h) (2) of Article 249 (232) and paragraph 4 of the Annex to Section IV of Part X of the Treaty³⁹ and apply the Custodian Property to the payment of the claims and debts defined therein, then under the terms of the Treaty for the purposes of such payment the American creditors would be entitled to have their debts converted into American currency at the pre-war rate of exchange and also be entitled to the benefits of paragraph 22 of the Annex to Section III of Part X of the Treaty with respect to interest.

"The Commissioner holds that under the Treaty only the Government of the United States, acting through its law-making power, may determine whether or not the proceeds of the liquidation of the Custodian Property will be applied to the payment of such claims and of such debts as may be found by this Commission to have been owing by Austria (Hungary) or its nationals to American nationals." (Administrative Decision No. II, page 16)

and that (Administrative Decision No. II, pp. 28, 29)

"From the analysis of the portions of Sections III and IV of Part X of the Treaty applicable to the United States and Austria (Hungary) and their respective nationals it appears that the only provisions fixing *direct* and *absolute* liability on Austria (Hungary) for *debts* owing by their nationals are those embodied in paragraphs (e) and (h) (2) of Article 249 (232), in the first of which Austria (Hungary) is held liable to make compensation for damage or injury resulting from its own acts in applying war measures to American property, rights, or interests, including debts, credits, accounts, and cash assets, and in the second of which Austria (Hungary) is required to pay to American nationals or the American Government the proceeds of the liquidation of American property, including debts.

"An *indirect* liability is fixed on Austria (Hungary) for debts owing by its nationals (paragraph (j) of Article 249 (232)) *con-*

³⁹ The references are to parts of the treaties of St. Germain-en-Laye (signed Sept. 10, 1919) and Trianon (signed June 4, 1920) cited in the treaties establishing friendly relations between the United States and Austria (signed Aug. 24, 1921) and Hungary (signed Aug. 29, 1921). For texts of the treaties of St. Germain and Trianon, see Malloy, *Treaties*, 1910-1923, vol. III, pp. 3149 and 3539. For texts of the treaties establishing friendly relations, see *Foreign Relations*, 1921, vol. I, p. 274 and vol. II, p. 255.

tingent, however, on the Congress of the United States electing to retain and apply the Custodian Property to the payment of claims and/or debts in accordance with the provisions of paragraph (h) (2) of Article 249 (232) and paragraph 4 of the Annex to Section IV.

"Austria (Hungary) is, of course, independent of any Treaty provisions, primarily liable for its public debts, evidenced by its bonds, treasury notes, and the like.

"But nowhere in such of the clauses of the Treaties as became effective with respect to the United States and its nationals is there found any provision fixing direct and primary liability on Austria (Hungary) for the debts of its nationals to American nationals in the absence of some act of the Austrian (Hungarian) Government operating upon such debts to the prejudice of the American creditors. The suggestion that, in the absence of such act by the Austrian (Hungarian) Government, it is obligated to pay American creditors for losses sustained by them due to depreciation during and after the war in the exchange value of Austro-Hungarian currency can be sustained only on the theory that Austria (Hungary) is liable for all of the direct and indirect, immediate and ultimate, consequences of the war. Clearly such a construction of the Treaty is not justified (see reasons set forth in the 'Opinion in War-Risk Insurance Premium Claims' rendered by the Umpire of the Mixed Claims Commission, United States and Germany, Decisions and Opinions, pages 33 to 59, inclusive)."

In these circumstances it is clear that in the absence of a special agreement with the Austrian and Hungarian Governments on this point, the status of American claims in respect of crown debts to which exceptional war measures have not been applied depends upon the position taken by the Congress regarding the disposition to be made of the Austrian and Hungarian property held by the Alien Property Custodian.

In the second place, as your Committee no doubt is aware, not even full payment by the Austrian Government of the awards which the Tripartite Claims Commission may make against that Government will wholly relieve the Austrian property sequestered by the Alien Property Custodian from the charges imposed by the treaties, since under Article 177 of the Treaty of St. Germain (the benefits of which are accorded to the United States by the Treaty signed at Vienna August 24, 1921) Austria accepted responsibility not only for herself, but also for her Allies for the loss and damage caused by the war, and the Austrian property may, in the discretion of the Congress, be applied in satisfaction of Austria's responsibility for loss and damage caused by Germany and/or Hungary. It should, therefore, be borne in mind that, according to the best information available, the amount of Hungarian property sequestered by the Alien Property Custodian is not sufficient to meet the probable

awards of the Tripartite Claims Commission against Hungary individually, to say nothing of the awards which will be rendered against Austria and Hungary jointly on account of reparation claims, Hungary's share of which has been fixed by the Commissioner of the Tripartite Claims Commission, United States, Austria and Hungary, at 36.4 per cent of the whole. (Administrative Decision No. I, page 10) In these circumstances the release of the Austrian property apparently would affect directly the interest of claimants against Hungary, and the Committee will undoubtedly wish to consider what provision is to be made to satisfy awards against Hungary in the event that the Austrian and German properties are released. The Department of State has received no proposal on this subject from the Hungarian Government; on the contrary in a memorandum dated December 16, 1926,⁴⁰ the Hungarian Minister informed the Department that his Government "is not asking for and does not believe in an earlier release of the seized property of its nationals, but expects to deal with this question when it will logically arise at the termination of the work of the Tripartite Claims Commission." A copy of this memorandum was transmitted to the Treasury Department on December 21, 1926, for its information in connection with the legislation then pending. A further copy is enclosed herewith for the information of your Committee.⁴¹

While the point is not of much practical significance in view of the relatively small amount of Hungarian property sequestered by the Alien Property Custodian, it might be observed to complete the record that under Article 161 of the Treaty of Trianon (the benefits of which are accorded to the United States by the treaty signed at Budapest August 29, 1921) Hungary accepted responsibility not only for herself but also for her Allies for the loss and damage caused by the war, and the Hungarian property may, in the discretion of the Congress, be applied in satisfaction of Hungary's responsibility for loss and damage caused by Germany and/or Austria. *Mutatis mutandis* the situation with respect to Germany and the German property is the same.

In conclusion may I request that the enclosed communications from the Austrian and Hungarian Legations be treated as confidential. If your Committee desires to give them any publicity, the Department will be happy to request the consent of the Austrian and Hungarian Governments thereto.

I am [etc.]

FRANK B. KELLOGG

⁴⁰ *Foreign Relations*, 1926, vol. I, p. 143.

⁴¹ Not printed.

[Enclosure]

Memorandum by the Agent of the United States, Tripartite Claims Commission (Bonyng)

MEMORANDUM OF AWARDS AND INTERLOCUTORY JUDGMENTS AND ESTIMATED AMOUNTS INVOLVED IN CLAIMS PENDING AGAINST AUSTRIA AND HUNGARY

An estimate has been made by the American Agency of the total amount of the awards and of the probable awards to be entered by the Tripartite Claims Commission against Austria and Hungary.

This estimate, except as to the awards and interlocutory judgments that have been actually entered, is necessarily only a rough estimate based on a cursory examination of each of the files, and on such information as is now obtainable in reference to the claims that have not been finally submitted to the Commission. It is subject to revision upon a full development of the facts in each of the claims which have not been passed upon by the Commission.

In making the estimate no account has been taken of the claims in the unknown address file, nor of the principal of any bonds that matured during the war period, except such as are now known to have matured during that period. No exact computation of the interest from varying dates or at different rates has been made, but the interest has been computed at the average rate of four per cent for a period of ten years. All of the claims have been valorized at the pre-war rate of exchange, namely, 9.36 cents to the Kronen. In the case of debts payable in gold or foreign currency, the gold value and the pre-war rate of exchange have been adopted.

This is the best and most accurate estimate that the American Agency is able to make with the information now available.

The result is as follows:

Awards entered and estimated to be entered against	
Austria and Hungary	\$361,096.39
Awards entered and estimated to be entered against	
Austria	2,623,542.97
Awards entered and estimated to be entered against	
Hungary	782,667.16
Total	<hr/> \$3,767,306.52

ROBERT W. BONYNGE

WASHINGTON, November 22, 1927.

ADDITIONAL PROTOCOL BETWEEN THE UNITED STATES AND OTHER
AMERICAN REPUBLICS, SIGNED OCTOBER 19, 1927, AMENDING THE
PAN AMERICAN SANITARY CONVENTION OF NOVEMBER 14, 1924 ⁴²

Treaty Series No. 763

*Additional Protocol Between the United States of America and Other
American Republics, Signed at Lima, October 19, 1927* ⁴³

The Presidents of the Argentine Republic, Bolivia, the United States of Brazil, Colombia, Costa Rica, Cuba, Ecuador, the United States of America, Guatemala, Haiti, Honduras, Nicaragua, Panama, Paraguay, Peru, the Dominican Republic, Uruguay and the United States of Venezuela, desirous of adding to the Sanitary Convention signed at Habana on November 14, 1924, have appointed as their plenipotentiaries, to wit:

Argentine Republic:	Dr. Laurentino Olascoaga Dr. Nicolás Lozano Dr. Alfredo Sordelli
Bolivia:	Dr. Adolfo Flores Dr. Adolfo Durán
United States of Brazil:	Dr. João Pedro de Albuquerque Dr. Bento Oswaldo Cruz
Colombia:	Dr. Julio Aparicio
Costa Rica:	Dr. Solón Núñez F. Mr. Jaime G. Bennett
Cuba:	Dr. Fernando Rensoli Dr. Mario G. Lebrede
Ecuador:	Dr. Luis M. Cueva
United States of America:	Dr. Hugh S. Cumming Dr. Bolívar J. Lloyd Dr. John D. Long
Guatemala:	Mr. Pablo Emilio Guedes
Haiti:	Mr. Víctor Kieffer Marchand Dr. Guillermo Angulo P. A.
Honduras:	Dr. José Jorge Callejas
Nicaragua:	Mr. Julio C. Gastiaturú

⁴² For text of the convention of 1924, see *Foreign Relations*, 1924, vol. I, p. 266.

⁴³ Signed in Spanish; the translation printed in the Department of State Treaty Series is reproduced here. Ratification advised by the Senate, Feb. 24, 1928; ratified by the President, Mar. 14, 1928; ratification of the United States deposited with the Government of Peru, July 3, 1928; proclaimed by the President, July 5, 1928.

Panama:	Dr. José Guillermo Lewis
Paraguay:	Dr. Isidro Ramirez
Peru:	Dr. Carlos Enrique Paz Soldán
	Dr. Sebastián Lorente
	Dr. Baltazar Caravedo
	Dr. Daniel E. Lavourería
	Dr. Julio C. Gastiaburú
Dominican Republic:	Dr. Ramón Baez Soler
	Dr. Alejandro Bussalleu
Uruguay:	Dr. Justo F. Gonzalez
United States of Venezuela:	Dr. Emilio Ochoa

Who, after communicating to one another their full powers and finding them in due form, have agreed to adopt, *ad referendum*, the following:

ADDITIONAL PROTOCOL TO THE PAN AMERICAN SANITARY CODE

The ratification[s] of the Pan American Sanitary Code shall be deposited in the Office of the Secretary of State of the Republic of Cuba and the Cuban Government shall communicate these ratifications to the other signatory States, which communication shall constitute exchange of ratifications. The Convention shall become effective in each of the signatory States on the date of ratification thereof by said State, and shall remain in force without limitation of time, each one of the signatory or adherent States reserving the right to withdraw from the Convention by giving in due form a year's notice in advance to the Government of the Republic of Cuba.

Done and signed in the City of Lima on the nineteenth day of October, nineteen hundred and twenty-seven, in duplicate, one of which shall be sent to the Ministry of Foreign Relations of Peru and the other to the Pan American Sanitary Office, so that copies thereof may be distributed through the diplomatic channel, to the signatory and adhering Governments.

For the Argentine Republic:

Laurentino Olascoaga

Nicolás Lozano

A. Sordelli

For Bolivia:

A. Flores

Adolfo F. Durán

For the United States of Brazil:

João Pedro de Albuquerque

Bento Oswaldo Cruz

- For Colombia :
 Julio Aparicio
- For Costa Rica :
 Solón Núñez
 Jaime G. Bennett
- For Cuba :
 D. F. Rensoli
 Dr. Mario G. Lebreo
- For Ecuador :
 Luis M. Cueva
- For the United States of America :
 Hugh S. Cumming
 Bolívar J. Lloyd
 John D. Long
- For Guatemala :
 Pablo Emilio Guedes
- For Haiti :
 V. Kiefer Marchand
 Gmo. Angulo P. A.
- For Honduras :
 José J. Callejas
- For Nicaragua :
 J. C. Gastiaturú
- For Panama :
 José G. Lewis
- For Paraguay :
 Isidro Ramírez
- For Peru :
 Carlos Enrique Paz Soldán
 Sebastián Lorente
 Baltazar Caravedo
 D. E. Laverería
 J. C. Gastiaturú
- For Dominican Republic :
 R. Baez Soler
 A. Bussalleu
- For Uruguay :
 Justo F. Gonzalez
- For the United States of Venezuela :
 E. Ochoa

CIRCULAR INSTRUCTION TO DIPLOMATIC OFFICERS AND CERTAIN
CONSULAR OFFICERS CONCERNING QUESTIONS ARISING FROM
THE NEGOTIATION OF FOREIGN LOANS BY AMERICAN BANKERS

800.51/572a

*The Secretary of State to Diplomatic Officers and Certain Consular
Officers*

Diplomatic Serial No. 681

WASHINGTON, December 28, 1927.

SIRS: The following discussion of questions arising in connection with the negotiation of foreign loans by American bankers is transmitted in view of inquiries and suggestions received from diplomatic officers.

(1) The Department expects its diplomatic officers to extend to responsible representatives of legitimate American interests, without discriminating between competing American interests, such assistance as may be consistent with their other duties and their diplomatic character (see Instructions to Diplomatic Officers of the United States, March 8, 1927, Paragraphs VIII-10, XI-1, XI-7, XI-10, XI-11, XVI-4, and XVI-7). The Department must of course rely largely on the good judgment and sense of propriety of its representatives as to the form of proper assistance. Such assistance normally may include aid in the establishment of contacts, the giving of information, and the making of judicious suggestions, but diplomatic officers will carefully avoid acting as intermediaries or participating in private business transactions, or taking responsibility for decisions of the private American interests concerned.

It will be recognized, however, that assistance in the negotiation of loans is affected with considerations of special delicacy, not only because of the reserve customary in any relationship affecting important credit transactions, but also because of tendencies evident in several quarters to emphasize, exaggerate, or misunderstand any relationship of the Department or its officers to financial negotiations. While this does not preclude the assistance normally given to American interests, special care should be taken that the record with respect to financial negotiations be clear and self-explanatory and that diplomatic officers in no way inadvertently lend color to claims or imputations that there exist, between the Department and bankers interested in negotiating foreign loans, relationships involving the responsibility of the Department in connection with such loans.

Thus, for example, in cases where there is no obvious occasion for recourse to missions for a letter of introduction, it may be well discreetly to discourage such requests or to satisfy them by giving merely a card of introduction. Similarly, missions should discour-

age the transmission of private messages through official channels, or, where the conditions are such as to justify the use of official channels, as in the case of authenticating the signatures of important papers, the text of the message should be self-explanatory as to its private origin and the occasion for the channel of transmission (see Diplomatic Serial No. 28 [280], July 9, 1924).⁴⁴ A United States Senator has cited such a telegraphic authentication as evidence of the Department's sponsorship of a private loan.

Information which diplomatic officers can give in reply to inquiries of bankers is, in the nature of the case, merely supplementary to information otherwise available to them—a well-known manual lists under twenty-five heads “some of the points” to be considered in purchasing foreign Government bonds. Presumably it will be oral, personal in tone, and accompanied with some disclaimer of relieving the bankers of any part of the responsibility toward bond buyers which the ethics and practices of investment banking impose upon them with respect to sponsoring flotations of foreign and domestic issues alike. In this connection the following is quoted from the Annual Report of the Secretary of the Treasury for the year ended June 30, 1926:

“The question of the soundness of a particular loan is not one upon which the Federal Government should pass, but it is the banker floating the loan in this country who must decide this question in the first instance, and it is the investor using his savings to acquire the security who must finally decide whether or not the risk is to be accepted. The test of the security of a foreign loan does not differ from the test of the security of a domestic loan.”

(2) Suggestions have been received that in connection with the Department's announcement of March 3, 1922 ⁴⁵ (see Diplomatic Serial No. 118, May 16, 1922 ⁴⁶), the Department should require of American bankers, in the case of loans for industrial purposes, a guarantee that the books of the borrower have been audited by responsible accountants, or that the Department should at least ask its missions abroad whether they know of any reason why the Department should object to a loan.

The Department, in its announcement of March 3, 1922, and its letters to bankers pursuant to the announcement, has uniformly stated that it will not pass upon the merits of foreign loans as business propositions, nor assume any responsibility whatever in connection with loan transactions. In view of the consideration that if the Department in some instances raises questions of the investment merit of particular loans, it may soon be considered to have no doubt

⁴⁴ Not printed.

⁴⁵ *Foreign Relations*, 1922, vol. I, p. 557.

⁴⁶ Not printed.

of the investment merit of a loan when it expresses none, correspondence pursuant to that announcement is the most inappropriate occasion for giving bankers credit information.

American bankers may at will, and frequently do, have recourse for information to the Department of Commerce, which is charged with the dissemination of commercial information and which has established in the Bureau of Foreign and Domestic Commerce a Finance and Investment Division. This is the normal channel for inquiry for such bankers as may desire to supplement other available information with that obtainable from the information services of the Government. Subject to such censorship and editing as the Department may undertake, reports of foreign service officers on financial subjects are transmitted in routine to the Department of Commerce. It is felt that only in case of information presumably not available through this or other channels to bankers exercising due diligence would there arise the exceptional case of any ethical obligation on the part of the Department of State to volunteer credit information to bankers writing the Department for the entirely different purpose of allowing it to express its views on the possible national interests involved in a contemplated loan.

While the Department feels that in view of their responsibilities bankers contemplating the issue of foreign loans must rely primarily upon independent investigation and study and only incidentally upon Governmental sources of information, the Department welcomes the interest which diplomatic officers have taken in reporting particular credit situations regarding which they feel concern.

Such reports are carefully observed by the Department of State and other Departments and, in view of the breadth and importance of American interest in foreign investments, they may serve a very useful purpose through such confidential dissemination as they may be given by the Department of Commerce or as information in the possession of the Department in the event of direct consultation of the Department by interested American citizens.

The Department indicates objection to loans only in view of important interests of national policy. Regarding situations of this degree of importance it will ordinarily have in its possession sufficient information to guide its action without *ad hoc* consultation of its missions. At times it has consulted its missions upon receiving an inquiry from bankers but the establishment of a routine practice of doing so would not be justified in view of the simplicity of the questions involved in most loan inquiries and of the importance of promptness in replying to them in order that important operations of American bankers be not subjected to the delay often incident to Governmental procedure.

(3) It will be advisable to bring to the attention of Commercial Attachés or Trade Commissioners the policies herein set forth, particularly in the event of negotiations for a Government loan. American officials of Departments other than the Department of State should act in any relations with foreign officials only with the full knowledge and approval of the diplomatic officer in charge of the mission.

I am [etc.]

FRANK B. KELLOGG

BOUNDARY DISPUTES

Bolivia and Paraguay⁴⁷

724.3415/117

The Minister in Paraguay (Kreeck) to the Secretary of State

No. 245

ASUNCIÓN, February 9, 1927.

[Received March 17.]

SIR: With reference to the possible submission of the Paraguayan-Bolivian boundary question to the Government of Argentina, reported in this Mission's despatch No. 238, dated February 3, 1927,⁴⁸ I have the honor to report as follows.

The Minister of Foreign Affairs offers the information that this morning he received a telegram from the Paraguayan Minister of Hacienda, Dr. Manuel Benítez, now in Buenos Aires, stating that Bolivia had accepted the good offices of Argentina.

He further stated that, under the circumstances, Paraguay would not submit to the United States the note of which he had previously spoken, and of which the Department was informed in this Legation's telegram No. 15 and its despatch No. 203, both of December 7, 1926.⁴⁹ At least, not at this time. He is doubtful if Bolivian representatives will appear when the time is set for conference, as upon two former occasions they failed to attend at the agreed time and place.

It is possible, however, he said, that Bolivia might make a pretense of desiring the solution of the question, inasmuch as he had been advised that the Bolivian Minister of Foreign Affairs had stated that he would confer with the Argentine Chancellory during the first week in March.

If the question can be settled by the good offices of Argentina, all well and good, but if from any cause failure should result, Para-

⁴⁷ Continued from *Foreign Relations*, 1926, vol. 1, pp. 531-534.

⁴⁸ Not printed.

⁴⁹ Telegram No. 15 not printed; despatch No. 203 printed in *Foreign Relations*, 1926, vol. 1, p. 533.

guay will immediately ask the United States to solve the difficulty. It is the Minister's opinion that this will be the outcome in the end.

I have [etc.]

GEO. L. KREECK

724.3415/113

The Secretary of State to the Minister in Paraguay (Kreeck)

No. 362

WASHINGTON, March 17, 1927.

SIR: The Department has received and read with interest your confidential despatch, No. 238 of February 3 last,⁵⁰ on the subject of the boundary dispute between Bolivia and Paraguay, of which copies have been sent to the American Minister at La Paz and the Chargé d'Affaires ad interim at Buenos Aires for their confidential information.

It is noted from the last paragraph of your strictly confidential despatch, No. 144 of September 10 last,⁵¹ to which reference is made, that in previous conversations on this subject with the Paraguayan Minister for Foreign Affairs you were careful to avoid any indication or comment as to the possibility that the Government of the United States might be willing to enter into negotiations looking to the settlement of the controversy. The Department assumes that you have consistently maintained this attitude, which has its entire approval. This Government is particularly anxious not to appear in any way to invite a request for its assistance, nor does it wish to predict what its position toward such a request might be. The Department believes that in the circumstances further inquiries on your part might be misunderstood, and therefore desires you to refrain from making them. If the Minister for Foreign Affairs again raises the subject, you will say merely that you will ask the Department for instructions.

I am [etc.]

For the Secretary of State:

JOSEPH C. GREW

724.3415/132

The Chargé in Argentina (Cable) to the Secretary of State

No. 275

BUENOS AIRES, April 29, 1927.

[Received June 8.]

SIR: I have the honor to report that on April 22, 1927, a protocol was signed in Buenos Aires by Dr. Alberto Gutierrez, the Minister

⁵⁰ Not printed.

⁵¹ *Foreign Relations*, 1926, vol. I, p. 532.

of Foreign Affairs of Bolivia, and Dr. Lisandro Diaz Leon, the Minister of Paraguay at La Paz, in which Bolivia and Paraguay accept the good offices of Argentina in the matter of the boundary dispute between the two countries.

It appears that several years ago, at a time when the Paraguayan-Bolivian relations had reached an acute stage, the Argentine Government tendered its good offices to the nations in question with a view to furthering an amicable settlement of this problem. The signing of the Protocol, therefore, can probably be ascribed to Argentina's efforts.

The text of this document has been published by *La Prensa*, a translation of which reads as follows:

"Messrs. Alberto Gutierrez, Minister for Foreign Affairs of Bolivia, and Lisandro Diaz Leon, National Deputy of Paraguay, having met at the Legation of Bolivia in the City of Buenos Aires, on the 22nd day of the month of April, 1927, and being duly authorized by their respective Governments and animated by the desire to define and fix the international boundaries between the Republics of Bolivia and Paraguay in a friendly and satisfactory manner, have agreed upon the following:

"I. To repeat the acceptance of the good offices tendered by the Government of the Argentine Republic, with a view to promoting the cordial renewal of the negotiations to solve the boundary question existing between the two countries.

"II. For this purpose both parties agree to appoint Plenipotentiaries who will meet in this Capital within ninety days of the approval of this Protocol by the respective Governments.

"III. The Plenipotentiaries must define the matters which will form the subject of their deliberations. The arguments or proposals which will be presented in order to determine the boundary may include, in addition to the proof or antecedents of each legal claim, formulas of adjustment or territorial compensations.

"IV. Should it prove impossible to arrive at an agreement respecting the definite determination of the international frontier, the Plenipotentiaries will state the reasons for the disagreement and fix the limits of the zone which will form the subject of the decision of an Arbitral Tribunal to be appointed by mutual agreement.

"V. Each one of these results will be communicated to the Government of the Argentine Republic, under whose good offices the conferences will be held, at the same time that they are transmitted to the respective Governments.

"This Protocol, which is signed in duplicate, will be approved by the respective Governments as soon as possible.⁵²

"Signed: A. Gutierrez

"Signed: Lisandro Diaz Leon."

The Department will note that no mention is made in the Protocol of the character or composition of the Arbitral Tribunal which may be convened, should the nations in question fail to reach a settlement of their dispute.

⁵² Approved by the Governments of Bolivia and Paraguay June 29, 1927.

There has been as yet but little press comment on this event. The Buenos Aires *Herald*, however, says that Dr. Gallardo and the Argentine Foreign Office deserve all congratulations for their good work of inducing the Governments of Paraguay and Bolivia peacefully to discuss their differences in the calm atmosphere of Buenos Aires.

I have [etc.]

PHILANDER L. CABLE

724.3415/158

The Ambassador in Argentina (Bliss) to the Secretary of State

No. 26

BUENOS AIRES, *October 3, 1927.*

[Received October 26.]

SIR: With reference to the Embassy's despatch No. 275 of April 29, 1927, I have the honor to inform the Department that in pursuance to the Protocol signed at Buenos Aires on April 22, by Dr. Alberto Gutierrez, the Bolivian Minister for Foreign Affairs, and Sr. Lisandro Diaz Leon, the Paraguayan Minister at La Paz, the International Conference which will attempt to determine the boundary between Paraguay and Bolivia held its first meeting on Thursday, September 29, at 4 o'clock, in one of the rooms of the Foreign Office.

The Paraguayan Commission is presided over by Dr. Eusebio Ayala, former Minister in Washington. The other members are: Señores José P. Guggiari, President of the Chamber of Deputies and leader of the Liberal Party; Francisco G. Chaves, leader of the Republican Party; Fulgencio R. Moreno and Manuel Dominguez. Captain Elias Ayala of the Paraguayan Navy and Sr. José Antonio Moreno are assisting in an advisory capacity, together with Dr. Pedro Saguier, Minister to Argentina.

The leader of the Bolivian Commission is Dr. José Maria Escalier. The other members are Dr. Daniel Sanchez Bustamante, a former Minister for Foreign Affairs and Public Instruction, who represented Bolivia in 1920 at the Assembly of the League of Nations, Sr. Ricardo Mujía and General Carlos Blanco Galindo. Colonel Oscar Mariaca Pando, Dr. Miguel Mercado Moreira and Sr. Julio Gutierrez are acting as advisers of the Commissioners, and Dr. Alberto Diez de Medina, Bolivian Minister to Argentina, is collaborating with the delegates.

The Argentine Government will be represented at the Conference by Dr. Isidro Ruiz Moreno, the Solicitor of the Ministry for Foreign Affairs.

Upon their arrival at the Foreign Office the delegates were received by Dr. Sagarna, the Minister for Foreign Affairs ad interim. After the exchange of credentials Dr. Sagarna, who presided over the first meeting, welcomed the commissioners in the name of President Alvear and explained that Argentina had extended its good offices in the

desire that the long standing difficulty should be satisfactorily solved without injury to the sovereignty of either nation. Both delegations were then received by President Alvear, to whom they presented their respects.

Certain Paraguayan and Bolivian delegates have given interviews to the press, couched in vague but optimistic terms, alleging that their respective delegations are inspired by a spirit of justice and friendship. Dr. Mujía, of the Bolivian Delegation, however, is reported to have stated that his country must have an outlet on the Paraguay River, which should be not only of immense benefit to Bolivian commerce, but of great value to Paraguay. On the other hand, Dr. Guggiari, one of the Paraguayan representatives, has pointed out to *La Nación* that his country is much more vitally interested than Bolivia in the Northern Chaco and has substantiated its claims repeatedly during the last half century by military occupation, commercial concessions, etc. This interview has called forth a sharp reply from Dr. Escalier, who, in a letter to *La Nación*, expressed his surprise at Dr. Guggiari's statements and asserted that the Bolivian delegates could also proclaim the incontestable rights of Bolivia to the Northern Chaco.

Among Argentine officials there seems to be slight hope of the Conference reaching a solution of this long outstanding controversy. In Paraguay, so I am informed by the diplomatic representative to Argentina from a neighboring country, who has just returned to Buenos Aires from a visit to Asunción, there is a pronounced feeling of pessimism on the outcome of the Conference, and public opinion is strongly adverse to making any concessions to Bolivia.

It will be remembered that Article 4 of the Protocol of April 22 provides for the formation of an arbitral tribunal should the present Conference fail to reach a definite agreement. In this connection press reports of apparently trustworthy character state that the Argentine Government would decline to accept a membership in any arbitral tribunal that might be formed in pursuance to this Article, and it has been confided to me by a high Government official that President Alvear would not consent to act as arbitrator.

I have [etc.]

ROBERT WOODS BLISS

724.3415/178

The Ambassador in Argentina (Bliss) to the Secretary of State

No. 92

BUENOS AIRES, December 6, 1927.

[Received January 5, 1928.]

SIR: With reference to my despatch No. 26 of October 3, I have the honor to state that the negotiations of the Paraguayan and Bolivian

delegations appointed in pursuance of the Gutierrez-Diaz León protocol appear to have reached an impasse. It is reported that the cause of the difficulties encountered by these delegations consists in the divergence of opinion on the subject of the *status quo* which the Department will remember was defined in the Pinilla-Soler protocol of 1907.⁵³ The Paraguayan representatives desire to reach, first of all, some kind of a *modus vivendi* based upon this *status quo* after which the determination of the international boundary could be arrived at by direct negotiations. Should these fail, an arbitral tribunal would be appointed and the limits of the territory defined that would be submitted to its decision.

It is stated, however, that the Bolivians decline to consider at present any such *status quo* or *modus vivendi*, asserting that the delimitation of the international boundary must be first considered and not matters of relatively secondary importance. It is also reported that, according to the Bolivian viewpoint, the *status quo* of the Pinilla-Soler protocol had no bearing upon the boundary lines which, according to the terms of that protocol, were to be submitted to arbitration and which, the Bolivians allege, were altered by the Mujía-Ayala protocol of 1913.⁵⁴ The Bolivian delegates also declare that the *status quo* had reference only to actual possessions and not to boundaries.

To the observation of the Paraguayan delegates that Bolivia has erected forts to the eastward of the line stipulated in the Pinilla-Soler protocol, their Bolivian confreres reply that Paraguay has also made important advances into the disputed territory.

It is alleged in this connection, however, that should the Paraguayan thesis be adopted, it would not mean that Bolivia would be compelled, for this reason, to evacuate the forts, as such evacuation would occur only in the event that the treaty or arbitral decision gave the territory to Paraguay. It would, however, be equivalent to a recognition by the Bolivians that their occupation of this country was merely *de facto* and not *de jure*.

During October and November the delegations have held a number of plenary sessions for the purpose of presenting various memoranda and counter memoranda setting forth their views with respect to the *status quo*. These memoranda are now being studied by a special committee appointed for this purpose. This committee is composed of the following persons:

The Bolivian Plenipotentiaries, Doctors José María Escalier and Daniel Sánchez Bustamante.

⁵³ *Foreign Relations*, 1907, pt. 1, p. 87.

⁵⁴ *Ibid.*, 1915, p. 33.

The Paraguayan Plenipotentiaries, Doctors Eusebio Ayala, José P. Guggiari and Fulgencio R. Moreno, together with several technical advisers.

It will also examine the problems presented by the delimitation of the frontier and the possible establishment of an arbitral tribunal. For the time being, therefore, the plenary sessions of the delegations have been suspended.

It is stated that but slight hopes are entertained of solving the difficulty in question, although Dr. Ayala expressed himself in optimistic terms on the occasion of a recent visit to Asunción. Should the direct negotiations terminate in failure, the appointment of an arbitral tribunal, as provided in Article IV of the Gutierrez-Díaz León protocol, would appear to be the next step to be taken by both Governments.

I have [etc.]

ROBERT WOODS BLISS

724.3415/171 : Telegram

The Ambassador in Argentina (Bliss) to the Secretary of State

[Paraphrase]

BUENOS AIRES, *December 19, 1927*—7 p. m.

[Received 10 p. m.]

109. A report that the Government of Argentina had offered its mediation to settle the boundary dispute between Bolivia and Paraguay has been given prominence in *La Nación*. The Foreign Minister has denied in the paper that the Government of Argentina had offered mediation.

I have ascertained from a reliable source that about a week ago the Government of Argentina instructed its diplomatic representatives at Asunción and La Paz to inform the Governments to which they are accredited in the following sense: An impasse having apparently been reached in the negotiations between the Governments of Bolivia and Paraguay to settle the long-standing boundary dispute, the Government of Argentina deemed it important to settle the matter before the Pan American Conference opened next month. As an evidence of its friendly and neighborly sentiments and since the meetings of the Joint Commission were being held in Buenos Aires, the Government of Argentina made the suggestion that an agreement be reached between the two parties along the following lines:

1. That the matter be submitted to definite arbitration.
2. That police forces be substituted for military forces in the small regiments in the territory in dispute and along the frontiers.
3. That a nonaggression pact effective until the disputed question is finally adjudged, be signed by Bolivia and Paraguay.

Bolivia answered that it gladly accepted Argentina's offer of mediation, and Argentina replied that it had not offered to act as mediator, would not accept [a request?] to arbitrate, and had only suggested a logical and final way out of the present difficulty. Paraguay answered that it accepted the Argentine suggestion in principle.

BLISS

724.3415/180

The Ambassador in Argentina (Bliss) to the Secretary of State

No. 114

BUENOS AIRES, December 28, 1927.

[Received January 18, 1928.]

SIR: I have the honor to inform the Department that the Paraguayan and Bolivian Boundary Commissions, which have been attempting, without success, to settle the boundary dispute between their respective countries, adopted yesterday a resolution, which was immediately made public. A translation of this resolution reads as follows:

"As the Governments of Bolivia and Paraguay have accepted, in principle, the friendly suggestion of the Government of the Argentine Republic, as a means whereby the plenipotentiaries of the Boundary Conference who have met in this Capital may be enabled to continue their task, in view of the lateness of the season and the advisability for both delegations to place themselves in contact with their respective Chancelleries, it is resolved: To suspend the Conference until March 15, 1928."

As stated in my telegram No. 113 of December 23,⁵⁵ a member of the Paraguayan delegation informed me that during the interim the Argentine suggestions, set forth in my telegram No. 109 of December 19, will be carefully considered by both Governments. He expressed to me the belief that favorable chances existed for the boundary dispute being ultimately submitted to arbitration.

I have [etc.]

ROBERT WOODS BLISS

Colombia and Nicaragua ⁵⁶

717.2114/50 : Telegram

The Minister in Nicaragua (Eberhardt) to the Secretary of State

MANAGUA, July 28, 1927—4 p. m.

[Received 7:45 p. m.]

181. The Colombian Minister has just returned to Managua and states that he expected to revive with the Nicaraguan Government

⁵⁵ Not printed.

⁵⁶ Continued from *Foreign Relations*, 1925, vol. I, pp. 431-435.

the question of the San Andrés Archipelago. I have discussed the subject with Diaz who informs me that he favors the settlement proposed by Colombia as set forth in the Department's instruction 212 directed to Secretary Thurston under date of March 25 [21], 1925⁵⁷ and if the Department so desires will instruct Minister for Foreign Affairs to commence preliminary negotiations with Colombian Minister tending toward such settlement.

EBERHARDT

717.2114/67

Memorandum by the Assistant Secretary of State (White)

[WASHINGTON,] August 1, 1927.

SETTLEMENT OF TERRITORIAL QUESTION BETWEEN COLOMBIA AND
NICARAGUA

The Colombian Minister called on Monday, August 1, at my request. I told him that in the course of the last three or four years when we were discussing together the settlement of the boundary between Colombia and Panama and the boundaries between Colombia and Peru and Colombia and Brazil he had said that when these were finished Colombia would have but one outstanding territorial question, namely, that with Nicaragua which he would like to have settled here also. I told him that the Department had now received a telegram from the Legation in Nicaragua, stating that the Colombian Minister had just returned to Managua and had said that he expects to reopen this question with the Nicaraguan Government. The matter had been discussed between President Diaz and the American Minister and it seemed possible that Nicaragua might request the views of this Government regarding the matter.

I reminded the Minister that some two years ago the question had come up and that Colombia had then suggested a settlement by which Colombia would withdraw her claim and would recognize Nicaraguan sovereignty over the Mosquito Coast and Great and Little Corn Islands if Nicaragua, in return, would recognize Colombian sovereignty over the Islands of San Andrés and Providencia. Nicaragua had declined such a settlement and had stated in return that Nicaragua could not discuss the Mosquito Coast nor Great and Little Corn Islands, which must be recognized as Nicaraguan, but would be willing to arbitrate the question of San Andrés and Providencia. So far as I knew, this matter had not progressed further, but I presumed this had not been accepted by Colombia as Colombia was now opening the matter further.

⁵⁷ *Foreign Relations*, 1925, vol. I, p. 431.

Señor Olaya replied that this had been rejected; that Colombia could not arbitrate only a portion of the claims, that either the full claims of both would have to be arbitrated or there would have to be some outside settlement and Colombia really did not want to arbitrate the question of the San Andrés Islands. Besides holding valid titles to these Islands from Spain, these Islands were inhabited and had been administered by Colombia for the last 125 years. Hence Colombia would not wish to arbitrate giving them up, but Colombia he thought would be willing to make the same arrangement as proposed two years ago. I told the Minister that it might be possible for this Government to be of some help in the matter and, as he knew, the Department was always glad to be of assistance, at the request of both parties, to the Republics of this hemisphere in settling their difficulties. There was also a question in which the United States was also involved and before going further in the matter I would like to know whether Colombia regarded Roncador Key, Quita Sueño Bank, and the Serrana Bank as part of San Andrés Archipelago. The Minister would recall that President Wilson had issued proclamations in 1919⁵⁸ declaring these uninhabited Islands possessions of the United States by virtue of the so-called Guano Act.⁵⁹ During the last year, when I was away from the Department, the question had come up in connection with some British seamen, I thought, and I felt it would be well to have it definitely settled that these Islands were not a part of the San Andrés Archipelago.

The Minister replied that this was a matter in which there was a difference of opinion; that the Islands were practically worthless. Part of the year they are completely submerged and the rest of the year are used by fishermen and also have some slight value on account of guano deposits. The Islands are a danger to navigation, especially when submerged and that he presumed the main interest of the United States in the Islands was on account of the danger to shipping and the necessity of maintaining lighthouses there.

The Minister stated that he was without instructions from his Government, that he had studied the matter very closely and he would like to make a personal suggestion which, if acceptable, he would recommend to his Government:

Colombia and Nicaragua to conclude a treaty by which Nicaraguan sovereignty is recognized over the Mosquito Coast and Great and Little Corn Island[s] and Colombia would also in the same act confirm the rights of the United States to Great and Little Corn Islands obtained by the Treaty with Nicaragua of 1914.⁶⁰ Nicaragua would recognize Colombian sovereignty over the Islands of San Andrés

⁵⁸ *Foreign Relations*, 1919, vol. I, pp. 796, 797.

⁵⁹ Guano Act of Aug. 18, 1856: 11 Stat. 119.

⁶⁰ *Foreign Relations*, 1916, p. 849.

and Providencia, and Colombia and the United States would submit to arbitration the ownership of the other keys and Colombia would agree, should she win the arbitration, to sell these keys to the United States, should the United States so desire, for a consideration to be agreed upon between the two Governments.

The Minister stated that it was a question of *amour propre* for Colombia as she could not well give up the Islands or recognize American jurisdiction over them except through arbitration and that he felt sure that Colombia would accept anybody proposed by the United States as arbitrator. I told the Minister I would look into the matter and advise him later.

F[RANCIS] W[HITE]

717.2114/68

Memorandum by the Assistant Secretary of State (White)

[WASHINGTON,] August 2, 1927.

THREE POSSIBLE FORMULAS FOR SETTLEMENT OF TERRITORIAL QUESTION BETWEEN COLOMBIA AND NICARAGUA

The Colombian Minister called on Tuesday, August 2, and said that he had been thinking over the question of the Colombian-Nicaraguan territorial dispute as well as the question of Roncador, Quita Sueño, and Serranilla keys, and that he had jotted down three possible formulas for settling the matter. He read these over to me and left a copy thereof which is attached hereto.⁶¹ The Minister stated that he thought that perhaps the third was the most acceptable.

When the Minister first came in he stated that he had thought up four solutions, although his memorandum contained but three. I therefore told him that while I had not yet been able to study the matter fully as some of the papers were in rather inaccessible archives and I had not yet been able to get hold of them, I had nevertheless read certain of the papers and it appeared to me that we were making a great deal out of a very small matter. These keys had been claimed by the United States since about 1869 and the President had issued a proclamation in 1919 formally declaring them to be under the sole and exclusive jurisdiction of the United States and out of the jurisdiction of any other Government. Furthermore, these keys appeared to have very little intrinsic value; that they do constitute a very real menace to shipping, lying as they do on the trade route between the Panama Canal and the Straits of Yucatan.

⁶¹ Memorandum *infra*.

That being the case, the United States had erected lighthouses on them and maintains them and far from the Islands bringing in any revenue to the United States they constitute an expense to the extent of the erection and maintenance of the lighthouses, and that these lighthouses are maintained for the benefit of everyone, Colombian shipping as well as that of the United States and all other maritime nations. In view of this fact, I thought that the easiest solution would lie in a general recognition all around of the *statu quo*, that is, for Nicaragua to recognize Colombian dominion over San Andrés and Providencia, Colombia to recognize Nicaraguan dominion over the Mosquito Coast and the Corn Islands and the United States dominion over these keys.

The Minister stated that Colombia could justify recognizing certain territorial rights to Nicaragua because Nicaragua recognized Colombian rights in return over San Andrés and Providencia, but in the case of these keys the United States was not recognizing anything as Colombia's in return. He then alluded to the fact that the inhabitants of San Andrés now fish in the waters off these keys and will probably wish to continue to do so. I then suggested to him that that would give the United States the chance to recognize the *statu quo* in favor of Colombia by according the inhabitants of San Andrés the right to fish in the waters of these keys. . . .

The Colombian Minister stated that he had not ventured to put in writing a further solution that suggested itself to him as he was without instructions from his Government. I told him that I quite appreciated his position and fully understood that any suggested formula that he might make to me was purely personal and informal on his part without instructions from his Government and was not binding in any way. He then said that somewhat over a year ago Colombia had arrested certain British fishermen in these waters and that the British Government told the Colombian Government that it did not recognize the right of the latter to make the arrest in these waters as the ownership of these Islands was in dispute between Colombia and the United States, and had added that, should Colombia not have jurisdiction in those waters, Great Britain reserved the right to make claims for indemnity for the improper arrest. The Minister stated that they of course would not like to be met with demands from the British Government for indemnity of a million pesos or so for every West Indian Negro fisherman arrested at that time, but he agreed with me that it was advisable to settle the matter without too cumbersome a process and was inclined to agree with the views I stated earlier in our conversation to the effect that the Islands were hardly of sufficient importance to justify the expense of an arbitration. Also he stated

that he would like to have some *quid pro quo* to justify Colombia recognizing these keys as appertaining to the United States and giving up the position they had taken in the past that they belonged to Colombia. The Minister therefore thought that the matter could best be arranged by the signing of a Procès-Verbal by the Secretary of State, the Colombian Minister and the Nicaraguan Minister, in which it would be agreed that Colombia and Nicaragua would sign a treaty by which Colombia would recognize Nicaraguan dominion over the Corn Islands and Mosquito Coast and Nicaragua would recognize Colombian dominion over San Andrés and Providencia, and the United States and Colombia would sign a treaty by which Colombia would renounce her rights to the keys in favor of the United States and recognize the dominion of the United States over those keys, the United States agreeing in turn to grant the inhabitants of San Andrés fishing rights of these waters in perpetuity and also to construct lighthouses on San Andrés and Providencia, the lighthouses thereafter to be maintained by Colombia.

I told the Minister that I thought this was a very good suggestion which I, personally, was inclined to favor, and he stated that he would recommend it to his Government and let me know as soon as he had a reply.

It will be recalled that when the United States established lighthouses on the three keys in question, the Navy Department and the Department of Commerce were both very anxious to establish lighthouses on San Andrés and Providencia and asked the Department to take the matter up with the Colombian Government. The Department replied that these Islands were in dispute between Colombia and Nicaragua and that the Department believed that, pending the adjustment of the dispute between Colombia and Nicaragua regarding the Islands mentioned, it would be inadvisable to take any action with a view to obtaining permission for the erection of aids to navigation upon those Islands. The Department later on did request the permission of the Colombian Government but never received an answer. At that time the ratification by Colombia of the Treaty of 1914 for the settlement of differences regarding the independence of Panama⁶² was pending and also the matter was complicated by a press campaign in Bogota against the United States on account of its action in erecting lighthouses, without consulting Colombia, on the Roncador, Quita Sueño and Serranilla keys, which were claimed by Colombia. The solution proposed appears eminently satisfactory to the United States as it settles another Latin American territorial conflict and clears up any question as to the right of Nicaragua in 1914 to lease Great and Little Corn Islands

⁶² *Foreign Relations*, 1914, p. 163.

to the United States. It also settles in favor of the United States our claims over these keys and furthermore we get permission to construct the two other lighthouses which the Navy and Commerce Departments consider necessary for the safety of navigation in those waters.

F[RANCIS] W[HITE]

717.2114/68

*The Colombian Legation to the Department of State*⁶³

[Translation ⁶⁴]

THE COLOMBIA-NICARAGUAN MATTER AND THE RONCADOR, QUITA SUEÑO
AND SERRANILLA KEYS

Possible formulas:

Number 1: The Colombian and Nicaraguan plenipotentiaries to sign at Washington a treaty consecrating the *status quo* as follows: Mangle Islands and the Mosquito to Nicaragua; San Andrés and Providencia to Colombia.

At the same time the United States and Colombia to sign an arbitration convention to settle in this way the dominion over the Roncador, Quita Sueño, and Serranilla Keys. The two parties may incorporate in this convention such provisions as they deem expedient.

Number 2: Colombia and Nicaragua to sign at Managua a treaty consecrating the formula: Mangles, Mosquito to Nicaragua; San Andrés and Providencia to Colombia.

At the same time the Governments of the United States and Colombia to exchange notes at Washington stating that the question of dominion over the Roncador, Quita Sueño and Serranilla Keys will be settled by means of an arbitration convention between the two Governments. In these notes the parties can make such statements as they deem opportune which are to be incorporated afterwards in an arbitration convention.

Number 3: The Secretary of State of the United States and the Ministers of Colombia and Nicaragua, duly authorized by their respective Governments, to sign a declaration or act, in which they will record the fact that the three Governments have accepted the following formulas to settle pending questions:

Nicaragua recognizes the rights of Colombia to the exclusive and complete dominion over San Andrés and Providencia.

Colombia recognizes the rights of Nicaragua to the exclusive and complete dominion over the Mosquito and the Mangle Islands.

⁶³ Left at the Department by the Colombian Minister, Aug. 2, 1927.

⁶⁴ Supplied by the editor.

The Governments of Colombia and Nicaragua engage themselves immediately to give effect to this agreement by means of a public treaty.

The United States and Colombia agree that the dominion of the Roncador, Serranilla and Quita Sueño Keys shall be settled by an arbitration convention between Colombia and the United States to whose terms the two Parties will agree later.

717.2114/52

The Minister in Nicaragua (Eberhardt) to the Secretary of State

No. 464

MANAGUA, August 31, 1927.

[Received September 19.]

SIR: With no instructions or comment from the Department to refer to in connection with my telegram No. 181 of July 28, 4 P. M., I have the honor to advise the Department that I have nevertheless discussed this entire question informally with President Diaz and intimated that I saw no reason why preliminary negotiations with the Colombian Minister should not be undertaken. I am informed that this has been done. I hope my action in the matter will have the approval of the Department. It would, however, be appreciated by both President Diaz and this Legation if the Department would indicate whether a settlement along the lines proposed by the Department in its instruction No. 212 of March 25 [21], 1925,⁶⁵ still seems advisable to the Department, or what, if any, additional representations and points might be brought up in negotiations tending toward the settlement of this old question.

I have [etc.]

CHARLES C. EBERHARDT

717.2114/51: Telegram

The Chargé in Nicaragua (Munro) to the Secretary of State

MANAGUA, September 13, 1927—5 p. m.

[Received 9:10 p. m.]

241. Legation's 181, July 28, 4 p. m. President Diaz informed the Minister yesterday that he expected the Colombian Minister to take up the San Andrés Archipelago question with him in the near future and that he was therefore anxious to learn whether the Department had any views to express. Is the Department now ready to make any suggestion to the Nicaraguan Government regarding this matter?

MUNRO

⁶⁵ *Foreign Relations*, 1925, vol. I, p. 431.

717.2114/51 : Telegram

The Secretary of State to the Chargé in Nicaragua (Munro)

WASHINGTON, September 14, 1927—5 p. m.

141. Your 241 September 13, 5 p. m. Department is giving serious consideration to this question and instructions will be forwarded to you in the near future.

KELLOGG

717.2114/53 : Telegram

The Chargé in Nicaragua (Munro) to the Secretary of State

MANAGUA, October 4, 1927—2 p. m.

[Received 5:15 p. m.]

260. Department's May [September] 14, 5 p. m. The President asked me today to ascertain when the Department would be ready to express an opinion regarding the San Andrés Archipelago question.

MUNRO

717.2114/53 : Telegram

The Secretary of State to the Chargé in Nicaragua (Munro)

WASHINGTON, October 6, 1927—6 p. m.

151. Your 260, October 4, 2 p. m. It has been necessary to consult another Department in connection with this question and your instructions have been delayed pending receipt of reply. It is hoped that it may be possible to send instructions to you before long.

KELLOGG

717.2114/54 : Telegram

The Chargé in Nicaragua (Munro) to the Secretary of State

MANAGUA, October 8, 1927—2 p. m.

[Received 8:20 p. m.]

[270.]⁶⁶ Department's telegram October 6, 6 p. m. The Colombian Minister has proposed a settlement leaving the San Andrés Archipelago to Colombia and the Corn Islands and the Mosquito Coast to Nicaragua. The Nicaraguan Government apparently regards this proposal with some favor but wishes to do nothing until it hears from the Department. The delay is prejudicial to the chances of a settlement because the prolonged discussion of the matter by the newspapers and by the bipartisan advisory commission, which the Government has appointed, can only do harm.

⁶⁶ Number supplied from the Chargé's despatch No. 515, Oct. 25, 1927 (not printed).

The Minister for Foreign Affairs told me today that he had been privately informed by a Nicaraguan in Bogotá that the Colombian Government might be persuaded to pay an indemnity of \$500,000 for the relinquishment of Nicaragua's claim to the San Andrés Archipelago if a Nicaraguan Minister were sent to Bogotá to discuss the matter. I endeavored to discourage this idea.

MUNRO

717.2114/57 : Telegram

The Chargé in Nicaragua (Munro) to the Secretary of State

MANAGUA, November 11, 1927—11 a. m.

[Received 2 p. m.]

327. The Minister for Foreign Affairs has asked me to inquire again when the Department will be ready to express an opinion on the question of the San Andrés Archipelago.

MUNRO

717.2114/57 : Telegram

The Secretary of State to the Chargé in Nicaragua (Munro)

WASHINGTON, November 11, 1927—7 p. m.

190. Your 327, November 11, 11 a. m. Department expects to be able to give you an answer next week.

KELLOGG

Colombia and Peru⁶⁷

721.2315/325 : Telegram

The Ambassador in Peru (Poindexter) to the Secretary of State

LIMA, December 30, 1926—6 p. m.

[Received December 31—12:45 a. m.]

110. Colombian Minister has just called and states that on account of the repeated specific promises of the President and Minister of Foreign Affairs of Peru that the Colombian boundary treaty⁶⁸ would be promptly submitted to Congress for its consideration and the failure up to this time to comply with these promises has created a critical situation in his country, one of the leading papers with much influence urging the military occupation of the territory in dispute.

⁶⁷ Continued from *Foreign Relations*, 1926, vol. I, pp. 534-539.

⁶⁸ Treaty of Mar. 24, 1922, League of Nations Treaty Series, vol. LXXIV, p. 9; see also Ministerio de Relaciones Exteriores del Peru, *Tratados, Convenciones y Acuerdos vigentes entre el Peru y otros Estados* (Lima, Imprenta Torres Aguirre, 1936), vol. I, p. 251.

Curletti, Chairman of the Committee Foreign Relations of the Senate and of the Joint Committee of the Senate and House, promised Lozano ⁶⁹ December 9th that within 10 days he would make his report to the Senate on the treaty. Since then Curletti has taken no steps to comply with his promise and has not submitted his report. The Colombian Minister states that he interviewed Minister for Foreign Affairs today and that the latter told him that the discussion of Tacna-Arica ⁷⁰ would not interfere with the approval of the Colombian boundary treaty and assured Lozano that he would immediately again interview Curletti at length and that positively the treaty would be acted upon by Congress in the early days of January.

However Congress will be in vacation for several days during new year and the extra session will adjourn about January 20th and it is not known that another extra session will be called during the year and on account of the repeated disappointments in this respect Lozano feels that no action will be taken in which case he states there will be no occasion for him to remain longer as Minister in Peru and that he fears a serious rupture in the relations of the two countries.

I have repeatedly recently urged upon both the President and the Minister of Foreign Affairs the advisability of the prompt ratification of the treaty and have been assured by both that such action will be taken but I have been informed that since then largely on account of the Tacna-Arica question there has been an unfavorable reaction in Congress towards the boundary treaty.

It is possible that some [paraphrase] inquiry of Velarde ⁷¹ regarding the status of the treaty might help.

POINDEXTER

721.2315/325 : Telegram

The Secretary of State to the Ambassador in Peru (Poindexter)

[Paraphrase]

WASHINGTON, January 6, 1927—10 a. m.

1. Embassy's telegram number 110, December 30, 6 p. m. It being important to have as many causes of dissension between the Latin American Republics as possible removed before the Pan American Conference convenes,⁷² you should take up this question again with the Foreign Minister or with the President, or both. The Depart-

⁶⁹ Colombian Minister in Peru.

⁷⁰ See *Foreign Relations*, 1926, vol. I, pp. 260 ff.

⁷¹ Hernán Velarde, Peruvian Ambassador at Washington.

⁷² Convened at Habana, Jan. 16 to Feb. 20, 1928.

ment has been informed that there is real danger that Colombia may sever diplomatic relations if the treaty is not ratified after repeated promises of President Leguía. Such action would naturally cause serious embarrassment to the Government of the United States which sponsored the protocol.⁷³

The Department does not think there is any use in discussing the question with Velarde. . . .

KELLOGG

721.2315/326 : Telegram

The Ambassador in Peru (Poindexter) to the Secretary of State

[Paraphrase]

LIMA, January 12, 1927—6 p. m.

[Received 9:50 p. m.]

4. President Leguía told the Colombian Minister that, due to the delicate situation occasioned by the Tacna-Arica question, he would be unable to submit the boundary treaty to the present Congress. The Colombian Minister replied that, because of reiterated promises made by the President and the Foreign Office on various specific occasions during the last few years and especially during the last few months that the treaty would be submitted to Congress and promptly ratified and the fact that they had failed to fulfill any of these promises, he considered it useless to negotiate further on this subject with the Government of Peru and he would not return again to discuss the subject with him.

The Colombian Minister also told President Leguía that if the treaty were not submitted and approved by this Congress, a dangerous condition of public opinion in Colombia would be created. President Leguía seemed greatly embarrassed and assured the Colombian Minister that the present state of affairs was due to circumstances beyond his control. He begged him to be patient, and again assured him that his intention to have the treaty ratified at some future date was as strong as ever. The Colombian Minister appears to have little confidence in this and has informed his Government of the present state of affairs.

POINDEXTER

⁷³ See procès-verbal of a meeting between representatives of the United States, Peru, Colombia, and Brazil, Mar. 4, 1925, at Washington, *Foreign Relations*, 1925, vol. I, p. 461.

721.2315/334

Memorandum by the Assistant Secretary of State (White)

[WASHINGTON,] June 15, 1927.

COLOMBIAN-PERUVIAN BOUNDARY TREATY OF 1922

The Colombian Minister called on Mr. White on June 15 and stated that his Government is very anxious regarding the ratification of the Colombian-Peruvian Boundary Treaty of 1922 and, as the Department had been most helpful in this matter in the past and especially with relation to the signing of the Procès Verbal on March 4, 1925, he would be very glad to know the Department's views in the matter and any suggestions it might have to offer. The Minister stated that he had received a cable from his Government three or four days ago stating that word had been received from the Colombian Minister in Lima to the effect that the President of Peru had discussed the matter recently with Ambassador Poindexter and had assured him that Peru would ratify the Colombian Treaty during the coming session of the Peruvian Congress.

Mr. White told the Minister that so far the Department had received no report from Lima regarding this phase of the matter but, as the Minister's information apparently had been sent from Lima to Bogota by cable and from there to Washington also by cable, there had evidently been a recent development about which there had not been time to receive a report from the American Ambassador in Lima. The last report that Mr. White had seen stated that there had been no chance of the ratification of this Treaty during the last session of Congress and that, had the matter been brought to a vote, ratification would surely have been rejected. The indications, however, pointed to a more favorable situation since then and Mr. White could only suggest patience to the Colombian Minister.

Doctor Olaya referred to the unfavorable effect the delay had caused in Colombia and said that he understood the situation and agreed that it would be well to await further reports to know more definitely what recent developments had taken place in Peru. Doctor Olaya asked Mr. White to keep the matter in mind and, should it be possible to do anything, expressed the hope that the Department would continue to use its good offices. Mr. White stated that the Department would of course be glad at any time to be helpful to the nations of this hemisphere in arranging their difficulties and would watch developments in this case with great interest.

F[RANCIS] W[HITE]

721.2315/339 : Telegram

The Chargé in Peru (Boal) to the Secretary of State

[Paraphrase—Extract]

LIMA, September 7, 1927—8 p. m.

[Received September 8—7:57 a. m.]

39. Department's telegrams No. 1, January 6, 10 a. m., and No. 4, March 2, 5 p. m., and Embassy's despatch No. 754, June 9, 1927.⁷⁴ Today Dr. Lozano, the Colombian Minister in Peru, again expressed to me his conviction that the Government of Peru was playing for time in the matter of ratifying the Colombian-Peruvian treaty.

The Government of Colombia, Dr. Lozano states, considers that matters have reached the point where further delay cannot be countenanced, and that unless Parliament acts on the treaty within the next 20 days, he will depart from Peru. Dr. Lozano earnestly requested me to speak to the Foreign Minister and the President to urge ratification. It is my feeling at this time that evidence of the interest of the United States would further action, and unless the Department instructs me otherwise, I intend to mention the subject to the Foreign Minister Saturday, September 10, and inquire as to progress and stress the importance of prompt action in the interest of good relations between Colombia and Peru. I believe that a call on the President would be far more likely to produce results, but will not take this step unless the Department instructs me to do so.

BOAL

721.2315/339 : Telegram

The Secretary of State to the Chargé in Peru (Boal)

[Paraphrase]

WASHINGTON, September 9, 1927—7 p. m.

28. Embassy's number 39, September 7, 8 p. m. The Department today discussed the ratification of the Colombian treaty with the Peruvian Ambassador and manifested to him the interest of this Government in the matter and the hope that this question would now be finally disposed of. He said he would cable his Government immediately. You may take up the matter with the Foreign Minister and, at your discretion, with the President, should you have a favorable opportunity.

KELLOGG

⁷⁴ Telegram No. 4 not printed; despatch No. 754 not found in Department files.

721.2315/348

The Chargé in Peru (Boal) to the Secretary of State

No. 811

LIMA, September 14, 1927.

[Received October 4.]

SIR: I have the honor to refer to my telegram No. 39 of September 7, 8 p. m., and the Department's telegram No. 28, September 9, 7 p. m., regarding the ratification of the Peruvian-Colombian Boundary Treaty.

I have the honor to report that after receiving the Department's No. 28, above referred to, I called upon the Minister for Foreign Affairs and after discussing several other matters with him, inquired regarding the progress being made toward ratification of the boundary treaty with Colombia, stating that I had heard that the delay in ratification was causing some uneasiness in Colombia and that of course the Government of the United States took a friendly interest in furthering the continuance of amicable relations between these two important countries of South America.

Señor Rada y Gamio immediately entered into a long explanation of the causes for the delay in the ratification of the treaty. He first alleged that the delay was not as great as the Colombians seemed to think, inasmuch as the period during which ratification could have been effected began only on March 4, 1925, when the final agreement relative to the treaty was signed in Washington. He then said that it had not been deemed advisable to present the treaty for ratification last year as it had been felt at that time that such action would have resulted in the Congress either rejecting the treaty or demanding its modifications. Either contingency, he pointed out, would have been most unwelcome to the Government and it was thought that the only course to be pursued was to withhold presentation of the treaty until the way to its certain ratification had been paved by the Government.

Señor Rada y Gamio assured me that every obstacle to the presentation of the treaty to the Parliament and its ratification had now been removed. He said that it had been necessary to go rather slowly with the Senators and Deputies because of their well known susceptibilities, that if they felt the Government was trying to hustle the members of the Foreign Relations Committee of the Parliament into a hasty recommendation of the treaty, or was trying to hustle the Parliament itself into a hasty ratification, they might easily become antagonistic. He added that acrimonious comment in the newspapers and the Parliament of Colombia and the obvious impatience of the Colombian Government did not help matters when it came to ratification here, that the main basis for asking for ratification of this treaty lay in advancing the theory of Peruvian-Colombian friendship and that every act of Colombia, or even of individual Colombians,

which could be used to show that Colombian friendship was not sincere, made it more difficult to obtain favorable action from the Peruvian Parliament.

After our conversation at the Foreign Office, the Minister of Foreign Relations asked me to accompany him to his house in order that he might show me the extensive work which he had done himself in connection with the Treaty. As we were leaving the Foreign Office building, he called one of his two confidential assistants from his office . . . This gentleman . . . said that the documents on which they had been working up to two o'clock in the morning for several days past, were now almost ready and that within a few days they would be in the hands of the Committee.

At his house Señor Rada y Gamio showed me a file of manuscript notes which he had made in connection with his defense of the treaty in the Parliament, as well as a series of very rough maps of the district which he had drawn, and several large and fairly detailed maps which he had had made. It was apparently his object to show me that the preparations for submitting the treaty to the Parliament had necessarily been complicated and lengthy and had required a great deal of work on his part. He said, however, that he expected the treaty would be ratified in the course of the month of October, as the Government expected to see it presented for ratification at the end of this month or the beginning of next month and that he did not think that the actual debates of the Parliament would take more than five or six days.

The Minister of Foreign Affairs asked me to return to see him on Monday, September 12th. When I returned to his office on that day, he told me that he had spoken of the matter of the ratification of the Treaty to the President and that the President had asked him to assure me that the Treaty would be presented to the Parliament at the end of September or the beginning of October, and would be ratified in the course of October. Señor Rada y Gamio added that therefore the United States Government could rest assured that this would be the case since we had the President's assurances, as well as his own, that the Treaty would "be ratified in the month of October."

Yesterday I had occasion to see the Colombian Minister and in the course of a conversation with him, told him that the Foreign Minister had informed me that the Treaty would be ratified during October. I pointed out to him that the impatience of public statements and newspaper articles in Colombia might be used by the enemies of the treaty in the Parliament here to seek to justify further delay and to oppose ratification on the grounds that a Parliament could not be pressed into ratification by public utterances and press heckling from another country. Señor Lozano agreed with me in this and said that he would telegraph to his Government, recommending

that every effort be made to prevent either the Parliament or the press from giving vent to their impatience until the end of October. He said nothing further about leaving Lima in the near future and I inferred from what he did say that he intended to refrain from pressing the matter very urgently upon the Peruvian Government until the end of next month and that he did not now expect to leave Lima before that time.

It may be noted that since my telegram, No. 39, above referred to, the Committee for Foreign Affairs has met again but that no business was transacted as the senior Deputy present objected that a quorum of the members of the Chamber of Deputies, who form a part of the Committee, was not present. It may be noted that there was a quorum present of the Committee itself because, although three out of five members appointed from the Chamber of Deputies were absent, the full number of Senators was present. I understand that the Committee is to meet within a few days, but that it is prevented from meeting immediately because Deputy MacLean has gone to spend a few days near Ica for the sake of his health, and until he returns there is not likely to be a possibility of having a quorum of the Committee, since it is apparent that the Committee holds that a majority of the Deputies and a majority of the Senators, who are members of the Committee, must be present.

While it is my impression that the Peruvian Government is taking more active steps toward ratification at the present time than it has done heretofore, I believe that things are likely to drag on as they have in the past, in spite of the assurances which I have reported above, unless it is made clear to the Peruvian Government that the United States Government understands that they have given a very definite undertaking to have the treaty presented at the latest in the early part of October and ratified in the course of that month. . . .

I have [etc.]

PIERRE DE L. BOAL

721.2315/347

Memorandum by the Assistant Secretary of State (White)

[WASHINGTON,] September 27, 1927.

COLOMBIAN-PERUVIAN BOUNDARY TREATY

The Ecuadoran Chargé d'Affaires called on Monday, September 26, and stated that he wished to discuss with me the question of the Colombian-Peruvian Boundary Treaty which we had discussed nearly two years ago. The Ecuadoran Government, he stated, was very much upset by the Associated Press report which is being published throughout Latin America to the effect that the United States

is urging Peru to ratify the Colombian-Peruvian Boundary Treaty. Ecuador was very much upset by this secret treaty, the terms of which Colombia had refused to communicate to her. Ecuador considered that it was contrary to her interests and was contrary to the spirit of their 1916 Boundary Treaty.⁷⁶ Señor Barberis handed me a copy of a confidential memorandum which was sent out by the Ecuadoran Foreign Office to its Legations abroad,⁷⁷ explaining the Ecuadoran point of view and the reasons prompting it to break off diplomatic relations with Colombia.

I told Señor Barberis that I had not seen the press report he referred to but that it was not authorized by this Department; nothing had been given out by it. I inquired if he knew from where the report emanated—he said he did not but presumed either from Washington, Lima or Bogota.

After reading through the memorandum I told him that I could not see that it altered in any way the situation since we had discussed the matter over a year ago. I told him that my recollection of the matter was that Ecuador and Colombia had executed a Boundary Treaty in 1916, by which certain territory in the region of Putumayo River was recognized by Ecuador as Colombian and that Colombia in 1922 had signed a Treaty with Peru giving this territory to the latter. In other words, Colombia in 1922 had given to Peru territory which Ecuador in the Treaty of 1916 had recognized as Colombian. I told him I could see no ground for charging Colombia with violating the treaty provisions in this transaction unless there was something in connection with the 1916 Treaty of which I was not informed. I told him that on the face of it, it would appear to be similar to our ownership of Alaska. Alaska had been sold to the United States by Russia⁷⁸ and if the United States should now wish to sell or cede Alaska to Canada it would appear to be a matter between the United States and Canada, and a matter to which Russia could not object. The same would appear to apply to the territory which Colombia had now ceded to Peru. Señor Barberis referred back to the Treaties of 1856⁷⁹ and 1862⁸⁰ and the Protocol of 1910 between Ecuador and Peru⁸¹ and to certain minutes of negotiations preceding the conclusion of the Treaty

⁷⁶ *British and Foreign State Papers*, vol. cx, p. 826.

⁷⁷ Not printed.

⁷⁸ By the convention signed at Washington, Mar. 30, 1867, *Diplomatic Correspondence*, 1867, pt. i, p. 388.

⁷⁹ Treaty of friendship, commerce and navigation, between Ecuador and New Granada, signed at Bogotá, July 9, 1856, *British and Foreign State Papers*, vol. XLVII, p. 1270.

⁸⁰ See treaty of peace between the United States of Colombia and Ecuador, signed at Pinsaqui, Dec. 30, 1863, and additional treaty, signed at Pinsaqui, Jan. 1, 1864, *British and Foreign State Papers*, vol. LXIII, pp. 260, 261.

⁸¹ See draft of protocol handed to the Ministers of Ecuador and Peru on July 14, 1910, by the representatives of the mediating powers: Argentina, Brazil, and the United States, *Foreign Relations*, 1910, p. 485.

of 1916. I told him that it was my understanding that the previous treaties had been superseded by the Treaty of 1916 and that I was not informed, of course, regarding the minutes of negotiations of the 1916 Treaty. However, the memorandum he had handed me itself appeared to admit that Colombia had not violated any treaty provisions and was legally entitled to conclude the Peruvian Treaty of 1922, ceding this territory to Peru; the memorandum mentioned only a moral obligation on Colombia.

The Chargé admitted that that was the case; that Colombia had not violated any treaty provision but that by giving up this territory to Peru Colombia had very seriously prejudiced Ecuador's position vis-a-vis Peru in the settlement of the Peruvian-Ecuadoran boundary dispute.

I told Señor Barberis that I could see the position of Ecuador in the matter and appreciate fully their point of view, but it appeared to me, nevertheless, that here were two different questions and that there was nothing in the Colombian-Peruvian Treaty to prevent Ecuador from immediately attempting to come to an agreement or understanding with Peru over their boundary difficulties. In other words, they were two entirely separate matters the same as the Peruvian-Colombian boundary dispute was entirely different from the Peruvian-Chilean dispute over Tacna-Arica. The Chargé stated that Peru and Ecuador had agreed, as I knew, in 1924 to submit to the arbitration of the United States the points in their boundary litigation on which they were unable to agree.⁸² I said that I fully understood that and that I presumed in the three years since that agreement had been made Ecuador had been endeavoring to determine upon what points they might come to an agreement with Peru, and that they might well find that they could come to complete agreement and have no matters to submit to a third party. Señor Barberis replied that he did not know the present status of the matter, but it was his understanding that this matter was under discussion. However, he stated, what his Government now wanted was simply for the United States not to make any recommendations to Peru regarding the ratification of this treaty but merely to let it take its course. Ecuador was not asking intervention on the part of the United States in the matter but merely to abstain from taking any action.

I replied that this matter was the outgrowth of the Procès-Verbal signed in Washington on March 4, 1925, between Colombia, Peru and Brazil, as the result of good offices of the United States which had been given at the direct request of the three parties concerned. The United States of course could not admit any outside party to

⁸² See *Foreign Relations*, 1924, vol. 1, pp. 304-305.

the discussion unless so requested by all concerned. In other words, it was the policy of the United States to intervene in such matters only when requested to do so by all parties to the dispute. Peru, Colombia and Brazil had asked the United States to lend its good offices and it had done so. Apparently they were the only ones directly concerned in this matter. Ecuador of course felt that its interests were involved on account of its bearing on the other dispute. The United States could take no part in that unless requested by the parties at issue. I explained that this was the policy inevitably followed by this Government and that it had done the same when Bolivia desired to come into the Tacna-Arica negotiations in 1922 and the United States had had to inform them that it could not consent of this unless Chile and Peru should request it. It was the same now in the case between Colombia and Peru.

Señor Barberis stated that his Government was not asking to come into the negotiations or asking the intervention of the United States but merely that it abstain from taking any action. I told him that I understood that, but that in many cases to abstain from taking action would have as positive an effect in a given situation as taking direct action and that therefore the United States would be influenced in its attitude only by the request of the parties at issue. Señor Barberis stated that he understood our position but it was a matter of great importance to his country and he would like me to consider it. He stated that he would send me copies of all the treaties between Ecuador and Colombia and also the minutes of the negotiations of the 1916 Treaty. I told him that I should be very glad to consider any matter which he might care to lay before me.

F[RANCIS] W[HITE]

721.2315/357 : Telegram

The Chargé in Peru (Boal) to the Secretary of State

[Paraphrase]

LIMA, November 12, 1927—3 p. m.

[Received November 14—11:05 a. m.]

55. (1) I have just been asked by the Colombian Minister if I would inquire of the Government of Peru as to the progress of the Colombian-Peruvian boundary treaty, and intimate to it the hope that the treaty would be approved before the Colombian Congress closes on November 17. He thinks that the question is entering upon a decisive phase because the president of the Peruvian Senate, in the name of President Leguía, his brother, promised him that the Committee on Foreign Affairs would report the treaty to Congress day after tomorrow, and that it would be approved by the end of this month.

(2) The treaty appears to be on the eve of being presented to Congress where there is much opposition to it and much agitation regarding it. With the general public the treaty is without doubt unpopular. I have been reliably informed that the president of the House of Deputies in his attempt to convince vacillating members has told them that the Government of the United States has been bringing pressure to bear upon Peru to ratify the treaty. It is my observation that even the officials of the Foreign Office who have assisted the Foreign Minister in preparing the defense of the treaty in Congress bitterly oppose it.

(3) Should I make any inquiry now, even if very informally, either of the Foreign Minister or the President, such action might be reported to those opposing the treaty, who as a last resort to arouse public opinion might use my inquiry as evidence that the Government of the United States is endeavoring to force the hand of the Government of Peru. This would react both against the treaty and the United States. The Colombian Minister has told me that Senator Arana telegraphed to Loreto, for publication there, that mass meetings are being held in Lima against the treaty. There have been no such meetings, but the action signifies his intention to incite an uprising there, and the length he is prepared to go. Rather than participate in submitting the treaty to Congress, Senator de la Piedra has taken leave for 20 days; and one of the warmest supporters of the President, Focion Mariategui, is actively opposing the treaty.

(4) I intimated to the Colombian Minister that while of course I would be pleased to help him, nevertheless, it seemed to me that the present might not be a propitious time to take the step he suggested.

(5) If the treaty is not presented to Congress early next week, a situation might develop where an inquiry might be a decided incentive to present it. I would appreciate it, therefore, if the Department would inform me whether it desires me to make a discreet inquiry despite the possibility set forth in paragraph (3), if there continues to be a delay in presenting the treaty and the President seems inclined to postpone the matter until after the conference at Habana, as some of the Deputies have suggested.

BOAL

721.2315/357 : Telegram

The Secretary of State to the Chargé in Peru (Boal)

[Paraphrase]

WASHINGTON, November 15, 1927—3 p. m.

44. Embassy's No. 55, November 12, 3 p. m. As you know, the Department is taking a lively interest in the Colombian-Peruvian

boundary treaty, and it wishes, in any proper way, to encourage Peru to ratify the treaty. It feels confident that the assurances given to you that the treaty would be reported to the Peruvian Congress during this session will not be ignored. However, the Department leaves it entirely to your discretion to bring this matter informally to the attention of the Peruvian Government again or not to do so, whichever course, in your judgment, would best meet the exigencies of the situation, and best lead to a favorable result.

KELLOGG

721.2315/362

The Colombian Minister (Olaya) to the Secretary of State

[Translation ⁸³]

No. 1360

WASHINGTON, *December 22, 1927.*

SIR: By a cable of this date my Government informs me that it has learned through its Legation in Lima that the boundary treaty signed on March 24, 1922, by Colombia and Peru, has been approved without amendment by the Congress of the last-named Republic.

On this occasion it is now my honor and pleasure to present to Your Excellency the testimony of the high and sincere appreciation of my Government for the good offices for the settlement of the boundary disputes between Colombia, Peru, and Brazil, which were tendered in such a lofty spirit for the good of the Continent by the Government of the United States and were consecrated in the procès-verbal signed in the city of Washington on March 4, 1925. From that date the said good offices were always found in Your Excellency, an enlightened exponent who has labored for peace and harmony between the Republics concerned in this question with high views and for which they owe to Your Excellency their sincere gratitude.

I avail myself [etc.]

ENRIQUE OLAYA

721.2315/363

The Peruvian Ambassador (Velarde) to the Secretary of State

[Translation ⁸³]

WASHINGTON, *December 22, 1927.*

EXCELLENCY: Referring to the boundary treaty signed by Peru and Colombia on March 24, 1922, I have the honor, by direction of my Government, to transcribe to Your Excellency the following cablegram received on this day:

⁸³ File translation revised.

"By a vote of 102 to only 7, Congress approved the boundary treaty between Peru and Colombia strengthening the intimate friendship of the two peoples."

I avail myself [etc.]

HERNÁN VELARDE

721.2315/362

The Secretary of State to the Colombian Minister (Olaya)

WASHINGTON, *January 3, 1928.*

SIR: I have the honor to acknowledge the receipt of your note, No. 1360 of December 22, 1927, informing me that the boundary treaty between Colombia and Peru signed on March 24, 1922, had been ratified by the Congress of the latter country without amendment.

This Government is very pleased to learn of the ratification of the treaty which is further evidence of the desire of the countries of this hemisphere to settle their differences by pacific means and to live in peace and harmony with one another. It is particularly gratifying to this Government to think that it was enabled through the *Proces Verbal* signed at Washington, March 4, 1925, to assist the Governments of Colombia, Peru and Brazil to arrive at a solution of their boundary difficulties which is satisfactory to all three countries and it is earnestly hoped that the remaining provision of the *Proces Verbal* may shortly be implemented by the Governments of Colombia and Brazil in order that all boundary questions between them may be definitely settled.

Accept [etc.]

FRANK B. KELLOGG

721.2315/363

The Secretary of State to the Peruvian Ambassador (Velarde)

WASHINGTON, *January 11, 1928.*

EXCELLENCY: I have the honor to acknowledge the receipt of Your Excellency's note of December 22 last, informing me of the ratification by the Peruvian Government of the Boundary Treaty between Colombia and Perú.

The Government of the United States is very pleased to learn of this action, regarding it as further evidence of the desire of the countries of this hemisphere to settle their differences by pacific means and to live in peace and harmony with one another. It is particularly gratifying to this Government to think that it was enabled, through the *Proces Verbal* signed at Washington on March 4, 1925, to assist the Governments of Brazil, Colombia and Perú in arriving at a solution of their boundary difficulties which is satisfactory to all three countries.

Accept [etc.]

FRANK B. KELLOGG

Dominican Republic and Haiti ⁸⁵

738.3915/306a : Telegram

The Secretary of State to the Chargé in Haiti (Gross)

WASHINGTON, July 30, 1927—1 p.m.

54. As it is probable that the boundary question will be discussed during the visit of President Vasquez ⁸⁶ you should familiarize yourself with it. Follow developments closely and keep the Department informed.

KELLOGG

738.3915/309

The Chargé in the Dominican Republic (Frost) to the Secretary of State

No. 574

SANTO DOMINGO, August 9, 1927.

[Received August 16.]

SIR: Having taken occasion this morning to pay my respects to the Haitian Minister, Mr. Dejean, who returned last evening from Port-au-Prince, I have the honor to report that in a conversation which ensued Mr. Dejean expressed himself as quite optimistic over the prospects of a prompt solution of the Haitian-Dominican boundary question.

According to Mr. Dejean, the conversations between President Borno and President Vasquez, as well as between high officials of the respective governments, were very frank and friendly, and it is his belief that for the first time there is the proper disposition on the part of the Dominican Government to effect a solution of this long-standing question. Negotiations will proceed on the basis of the so-called American line, which is the status of present occupation and with a recognition that mutual accommodation will be necessary. The spirit of the Treaty of 1874 ⁸⁷ will be invoked.

It is the hope of the Haitian Minister that an agreement will have been reached before the time of the visit of President Borno to this country. He considers it very desirable that the agreement be reached wholly by direct negotiations and the expression of this thought on his part enabled me again to express the interest which the Department has in a friendly solution of the question, and its hope that solution can be achieved through direct negotiations between the two parties. Mr. Dejean stated that in the possible event of arbitration being necessary, appeal would naturally be made to

⁸⁵ Continued from *Foreign Relations*, 1926, vol. I, pp. 543-547.

⁸⁶ Horacio Vasquez, President of the Dominican Republic, visited Haiti in August 1927.

⁸⁷ Jacques Nicolas Léger, *Recueil des Traités et Conventions de la République d'Haiti* (Port-au-Prince, 1891), p. 119.

the American Government, but also frankly observed that he thought the reception of the agreement by certain elements of the Dominican public would be more favorable if American arbitration proved to be unnecessary. He emphasized the value, however, of an occasional expression of interest by the Department of State in an adjustment of this question, and stated that it is his belief that previous expressions of that nature to the Dominican Government had been of considerable assistance in promoting a disposition on their part to find a solution.

Mr. Dejean will undertake the negotiations with the Dominican Government, and the Legation will be informed of the progress made.

I have [etc.]

FRANKLIN B. FROST

738.3915/311

The Chargé in Haiti (Gross) to the Secretary of State

No. 1057 (The High Commissioner's Series) PORT AU PRINCE, August 10, 1927.
[Received August 24.]

SIR: I have the honor to refer to the Department's cable No. 54 of July 30, 1 p. m., and the Legation's telegram No. 89 of August 2, 8 a. m.,⁸⁸ regarding the Haitian-Dominican boundary question.

The question of the Haitian-Dominican frontier was brought up as a subject for discussion between Presidents Borno and Vasquez, during the latter's recent visit to this Capital. The conversations were friendly and indicative of a mutual desire to arrive at a solution both logical and practical. The two presidents agreed, in principle, to adopt permanently the *status quo* without indemnity of any kind. No definite action was taken, however.

One or two minor problems remain to be worked out. One of these is the question of frontier formalities on the trails between the Dominican towns of Banica and Restauracion. These towns are about forty miles apart by the trail usually used by the Dominicans, who find it easier to take this road which crosses a corner of Haitian territory, rather than the road which follows Dominican territory throughout. The journey over this road is approximately five miles shorter than the distance by the road which follows the Artibonite River from Banica as far as La Cruz de Cabrera. The river road is on the Dominican side of the river most of the way. The distance saved is small. On the other hand, the risk of the irritating application of rigid frontier regulations, and the risk of the abuse of the frontier regulations, if they are made lenient, is great.

There is a similar rumored frontier problem further south in the vicinity of the town of Pedernales.

⁸⁸ Latter not printed.

President Borno has told me that while nothing of a definite nature was decided upon, it was the opinion of the two presidents that the question of trails could be solved without difficulty and that if necessary an equivalence of land could be exchanged in order that principal trails would not cross the other's territory. One parcel of territory which would doubtless enter into such a trade, would be that around the eastern extremity of Etang (Lake) Sumatre. It is President Borno's desire that the frontier should pass between these two lakes so that each country should have a trail around its own lake, without crossing the other's territory.

These adjustments appear to be desirable and satisfactory but it is possible that any talk of exchange of territory will open up a phase of the question which might delay indefinitely a solution to the whole boundary question.

I have [etc.]

C. GROSS

738.3915/314

The Minister in the Dominican Republic (Young) to the Secretary of State

No. 639

SANTO DOMINGO, *September 28, 1927.*

[Received October 11.]

SIR: I have the honor to submit the following confidential report covering recent developments respecting the Dominican-Haitian boundary question.

During the recent visit of President Vasquez to Port-au-Prince it was suggested by President Borno that a brief convention be signed which should declare (1) that all controversies and questions now existing between the two Governments or which thereafter might arise should be settled if possible through direct and friendly negotiations, and (2) should such direct negotiations prove unsuccessful the good offices of a friendly third power, if proffered, must be accepted.

The Convention was not signed, President Vasquez asserting that the death of the wife of Señor Ricart, Dominican Secretary of State for Health and Welfare, impelled him to return at once to Santo Domingo and that he would later accord careful consideration to the matter. Shortly after his return, President Vasquez called at the Haitian Legation to express to the Minister his appreciation of the many courtesies extended to himself and his party during their stay on Haitian territory, and stated that in the near future he would cause to be sent to the Haitian Minister an important communication. When three weeks had passed without any further development, the Haitian Minister addressed a personal and confidential communication to Minister for Foreign Affairs Sanchez in which reference was

made to the President's visit to the Legation and his statement regarding the formulation at an early date of an important communication. The Haitian Minister pointed out in his note that he had not as yet received any communication of the nature mentioned by President Vasquez and stated that he would be most happy to receive at an early date, for transmission to his Government, any communication which the Dominican Government might see fit to address to him in the light of the mutual desire of both Governments to effect a friendly settlement of any and all questions pending between the two countries. After some delay Minister Dejean received a note in reply from the Minister of Foreign Affairs saying in substance that the Dominican Government was continuing to accord to the questions its most sympathetic consideration but that for the moment he was unable to amplify that statement.

The Haitian Minister, doubtless reflecting the attitude of his Government, feels that since Haiti proposed the conclusion of a convention of the nature mentioned above as preparatory to a serious consideration and discussion of the boundary question the next move ought properly and appropriately to come from the Dominicans.

In conversation with me last week at his summer home at Las Matas, where in response to his invitation I spent two days, the President told me confidentially that he had recently received a report from Port-au-Prince to the effect that certain differences had arisen between the American High Commissioner and President Borno respecting "certain amendments to the Haitian Constitution,"⁸⁹ and that he felt somewhat apprehensive lest the situation might impair President Borno's energy in dealing with the frontier question. The President stated that he realized fully that an adjustment of the boundary question could only be had if President Borno was in a position to count upon the full support and cooperation of General Russell. He added that he was causing a discreet investigation to be made, and that if his previous information should be confirmed he intended to send a personal message to President Borno counseling him in view of the great importance of the boundary matter to make every effort to procure the full cooperation of the High Commissioner and not permit any other question to impair the fullest cooperation. I stated merely that I had not received any information which would tend in any way to confirm his report. President Vasquez then went on at some length, and in a very earnest and sincere manner, to impress upon me his desire for an early settlement of the question. He said that he regarded the present time as a very opportune one and that if no agreement was reached it would not be because of any lack of desire or earnest effort on the part of the Dominican Government.

⁸⁹ See vol. III, pp. 48 ff.

The Haitian Minister informed me yesterday that he has been asked by President Vasquez to visit him this week and he assumes that the boundary question will be rather fully discussed. The Legation is in close touch with the situation here and will promptly report to the Department all developments of interest.

I have [etc.]

EVAN E. YOUNG

738.3915/315

The Minister in the Dominican Republic (Young) to the Secretary of State

No. 644

SANTO DOMINGO, October 5, 1927.

[Received October 18.]

SIR: Adverting to the Legation's previous despatches respecting the Dominican-Haitian boundary question, I have the honor to submit the following report.

As reported in the Legation's confidential despatch No. 639, September 28, 1927, President Vasquez recently received information indicating that important differences of opinion had arisen at Port-au-Prince between the American High Commissioner and President Borno regarding certain proposed amendments to the Haitian Constitution. During my recent visit to the President at Las Matas he expressed some concern over the information he had received, feeling that any important differences between General Russell and President Borno might react unfavorably upon an early settlement of the boundary question.

Mr. Dejean, the Haitian Minister here, went to Las Matas a few days ago, in response to an invitation from the President, and during the course of the visit President Vasquez inquired of the Minister whether he possessed any information regarding the matter. Dejean assured the President that there was no basis whatever for the report and stated that he had recently received a personal letter from President Borno in which he referred to the proposed constitutional amendments and said that he and General Russell were in accord in the matter. President Vasquez expressed his gratification and stated that a formal communication dealing with an important phase of the relations between the two countries would be addressed to the Minister at an early date.

In conversation with me, following his return from Las Matas, Mr. Dejean said that in general he felt optimistic as regards the possibility of effecting in the near future a final settlement of the boundary question. He again expressed the opinion that it would be preferable to conclude the proposed treaty of amity before entering into any formal negotiations respecting the boundary. He sug-

gested it would be helpful if I continued to manifest a friendly interest in an early and amicable settlement of the controversy. I said that there could be no question but that the Dominican Government fully understood the attitude of the Department and that I should in the future, as I had in the past, in my informal conversations with appropriate Dominican officials impress upon them the friendly interest of my Government in the effecting of a final and definite settlement of the boundary question, an interest which was in entire harmony with that of the two Governments more directly concerned.

In reply to an intimation from me that I should be glad to have more definite and exact information with respect to the provisions of the proposed treaty of amity, Dejean said that the draft as submitted to President Vasquez was brief and embraced (1) a declaration outlawing war as between the two countries, (2) a provision stating that in the event friendly negotiations should fail of effecting the settlement of any question between the two Governments, the good offices of a friendly third power, if proffered, must be accepted. With regard to the second provision, Minister Dejean said that it had been suggested here, not however by any Dominican official, that the Dominican Government would construe the reference to the "friendly third power" as in fact meaning the United States, and that if the provision should be changed so as to provide for the submission to the League of Nations of any question not susceptible of settlement by direct negotiations the convention or treaty would find a ready acceptance by the Government here.

Minister of Foreign Affairs Sanchez, together with the other members of the Cabinet, is at Las Matas engaged in the drawing up of the national budget for the coming year. I shall see him so soon as he returns to the Capital and endeavor in a discreet manner to procure full information respecting the Dominican Government's attitude in the matter of the proposed treaty of amity.

The Department will be kept fully informed by despatch or cable of all developments.

I have [etc.]

EVAN E. YOUNG

738.3915/316

The Minister in the Dominican Republic (Young) to the Secretary of State

No. 648

SANTO DOMINGO, October 8, 1927.

[Received October 18.]

SIR: Having reference to the Legation's confidential despatch No. 644, October 5, 1927, respecting the Dominican-Haitian boundary

question and the proposed treaty of amity, I have the honor to submit the following confidential information regarding the attitude of the Dominican Government in these matters as outlined to me yesterday by Minister of Foreign Affairs Sanchez.

With regard to the Haitian proposal looking to the conclusion of a treaty of amity between the two countries, Mr. Sanchez said that the Dominican Government would be unable to sign the treaty in the form in which it had been submitted by President Borno. The principal objection was to the provision under which each Government bound itself to refrain from war against the other. On this point, the Minister expressed himself as being heartily in favor in principle of the provision in question, but asserted that the boundary controversy could be adjusted only through one of three methods, (1) arbitration, (2) direct negotiations, and (3) war. He felt that in view of the past history of the question the Dominican Government could place little hope in any recourse to arbitration, and that if direct negotiations between the two countries should fail, and the use of armed force precluded, the Dominican Government would find its hands tied. Sanchez asserted that the Dominican Government had in fact no intention of resorting to the use of armed force, but he emphasized the point that under the *status quo* the situation is much more favorable to Haiti than to the Dominican Republic, and said that he felt strongly that to outlaw war through the medium of a solemn written undertaking, prior to the settlement of the boundary question, would weaken the position of the Dominican Government in any negotiations with Haiti looking to the definite settlement of the problem.

The Minister then went on to say that once the boundary question was settled he would be heartily in favor of the conclusion of the treaty of amity as proposed by President Borno, or, if preferred by Haiti, the text of the provisions of the proposed convention could be made a part of the final treaty settling the boundary question.

Mr. Sanchez very confidentially informed me that the program of the Dominican Government respecting the settlement of the boundary controversy and the conclusion of a treaty of amity is at present as follows:—

1. Refusal to sign the proposed treaty of amity unless it be so modified as to eliminate the provision outlawing war perpetually.
2. To propose to Haiti that a joint topographic study of the frontier zone be made by the two Governments. With reference to this point he remarked that the absence of topographical information, accepted by both Governments, rendered it very difficult to deal in a satisfactory manner with the frontier question. He suggested that if the so-called "American Line" had been definitely established by markers from one coast to the other it would have been of immeasurable assistance to

both Governments in connection with the boundary negotiations. He added that while both Governments today possessed their own official maps it was a matter of common knowledge that neither one was accurate.

3. With the necessary topographical data in hand and approved by both Governments, there should then be, in the opinion of the Minister, no serious obstacle to the speedy settlement of the entire question. The Minister intimated that should the Haitian Government agree to the proposal which the Dominican Government intends to advance in the near future looking to the establishment of a topographical commission the work would probably be done by, or at least under the supervision of, American experts.

In according me the information set forth above Mr. Sanchez requested that it be regarded as highly confidential. I thanked the Minister for the frank expression of his views and the statement of the present attitude and policy of the Dominican Government, and I reiterated the hope that the settlement of the question would continue to receive his most sympathetic and careful attention and a very sincere and earnest effort made to arrive at an early agreement with Haiti.

The Minister said that he would be glad to keep me informed of all developments, and that he would wish to confer with me from time to time. He added that he considered it highly important that the Government of the United States be kept promptly and fully apprised of all developments and that he felt that full and frank discussions with me would serve the best interests of both the Dominican Republic and Haiti. In conclusion, he stated that he had not considered it advisable as yet to discuss the entire matter with the Haitian Minister as freely and fully as he had in his conversation with me, but that a communication setting forth the Dominican Government's attitude toward the proposed treaty of amity would be addressed to Minister Dejean in the near future.

I have [etc.]

EVAN E. YOUNG

738.3915/315

*The Secretary of State to the Minister in the Dominican Republic
(Young)*

No. 187

WASHINGTON, October 27, 1927.

SIR: The Department acknowledges the receipt of your confidential despatch No. 644 of October 5 concerning the Dominican-Haitian boundary negotiations.

The Department has noted in this despatch that some consideration is apparently being given by certain Dominicans to a plan whereby the boundary question may be submitted for arbitration by the Dominican and Haitian Governments to the League of Nations. Please

keep the Department informed concerning this matter and state whether or not in your opinion there is any possibility of the Dominican Government suggesting such a course to the Haitian Government.

I am [etc.]

For the Secretary of State:

FRANCIS WHITE

738.3915/320

The Minister in the Dominican Republic (Young) to the Secretary of State

No. 691

SANTO DOMINGO, November 10, 1927.

[Received November 22.]

SIR: Supplementing the Legation's previous despatches respecting the Dominican-Haitian boundary question and the conclusion of a suggested treaty of amity, I have the honor to submit the following confidential information with respect to the present status of these matters.

The efforts of the Haitian Legation here to effect the conclusion of a convention or treaty of amity of the nature mentioned in my despatch No. 644 of October 5th have thus far proven unsuccessful. I am confidentially informed, however, by the Haitian Minister that in a recent informal conference with the Dominican Minister of Foreign Affairs he inquired whether the Dominican Government would be inclined to enter into the treaty without further delay if there should be eliminated from the present draft the provision to the effect that if friendly negotiations should fail of effecting the settlement of any question between the two governments, the good offices of a third power, if proffered, must be accepted. Minister Dejean informs me that the Minister of Foreign Affairs indicated that it was his personal opinion that the Dominican Government would be prepared to conclude the treaty without delay with the elimination of the provision mentioned. Minister Sanchez agreed to submit the matter to President Vasquez and to inform Mr. Dejean of the President's views, but the Haitian Minister has heard nothing further in regard to the matter.

From the conversations which I have had with the Haitian Minister and with the Minister of Foreign Affairs it is my opinion that the Dominican Government is not considering suggesting to the Haitian Government any plan whereby the boundary question may be submitted for arbitration to the League of Nations. From the inception of the present negotiations the Legation has of course kept this point carefully in mind and it will continue to do so. Should it at any time appear that there exists any real possibility of such a suggestion being

advanced, the Department will of course be promptly informed by cable.

Insofar as the boundary question itself is concerned, there have been no recent developments of interest or importance, and it now seems improbable that any action in the matter will be taken by the Dominican Government prior to the forthcoming visit of President Borno which is now tentatively set for December 6th. In the meantime a committee, composed principally of prominent lawyers, which was informally appointed by President Vasquez to study the whole question of the frontier problem is continuing its studies. I was informed today that the committee has about completed its work and that its report will be in the hands of the President within a few days.

The executive committee of the Dominican Nationalist Party recently adopted a resolution, a translation of which is enclosed herewith,⁹⁰ protesting against the institution of any negotiations respecting the frontier question "so long as the military occupation continues in the neighboring Republic". In addition, the President of the party recently addressed an open letter to the members of the committee mentioned above contending that the present so-called Haitian Government is illegal and unconstitutional and is therefore incapable of entering into international agreements which would be binding upon the countries concerned. A translation of the letter is enclosed.⁹⁰

I have [etc.]

EVAN E. YOUNG

738.3915/327

The Minister in the Dominican Republic (Young) to the Secretary of State

No. 747

SANTO DOMINGO, December 31, 1927.

[Received January 10, 1928.]

SIR: I have the honor to report with respect to the Haitian-Dominican boundary question that informal conversations, which it is hoped will proceed to a point where formal negotiations can be undertaken with some assurance of success, were instituted in this city on December 28th at a conference in which participated Minister of Foreign Affairs Sanchez, Mr. Troncoso de la Concha, Mr. Jacinto de Castro and Mr. Peyña-Battle, representing the Dominican Government, and Mr. Dejean, the Haitian Minister.

At the beginning of the conference a question arose as to whether Mr. Dejean's participation therein was based on special powers from the Haitian Government to deal with the boundary question or was to be regarded as solely in his capacity as Haitian Minister. Mr. Dejean said that he was without any special powers, and that none

⁹⁰ Not printed.

appeared to be necessary for the present. He then read to the conference extracts from personal letters addressed to him by President Borno which clearly indicated a desire on the part of President Borno that Mr. Dejean during his stay in this country should interest himself primarily in matters pertaining to the boundary question and its settlement.

In response to a suggestion which was then made by Mr. Sanchez that the Minister should make a brief statement and embody therein any suggestion which he might care to advance with respect to a desirable mode of procedure, the Minister said that as he viewed the matter it was incumbent upon the Dominican Government to "make the next move"; that he had already acquainted the appropriate officials here with the views of his Government,—viz.: That the *status quo* line "with compensation" should be agreed upon as the basis of any discussions. He explained that by "compensation" he meant that obviously it would be necessary for each Government to cede to the other certain territory. He urged that a serious effort be made to agree upon a boundary line, and strongly recommended that the physical fixation of such line be left to a technical commission. He contended that the work of preparing accurate maps of the frontier zone might well follow rather than precede any efforts to reach an amicable agreement with respect to the line itself.

The Dominican representatives pointed out that under the provisions of Article 3 of the Dominican Constitution relative to the non-alienation of Dominican territory the Government might find it necessary to convene a constituent assembly for the purpose of procuring a modification of the article in question prior to the consummation of any agreement with respect to the boundary. In reply to a request for an expression of his opinion in the matter, Mr. Dejean said that the question was of course one for the Dominican Government to determine. He pointed out however that somewhat similar provisions were to be found in the Haitian Constitution and in the treaty of 1915 with the United States.⁹¹ After a further conversation of a somewhat general nature, the conference adjourned to reconvene on Monday, January 2, 1928.

Following the conference, I had a rather extended, though entirely personal and unofficial conversation with the Haitian Minister. With respect to the question of the provisions of Article 3 of the Dominican Constitution and their bearing upon the boundary question and the negotiations directed to its adjustment, I suggested as coming entirely from myself, that it would appear to be both wise and expedient to push the negotiations now, and that if the Dominican Government later should hold that an amendment to the constitution was in fact

⁹¹ *Foreign Relations*, 1915, p. 449.

necessary, such action might well follow the conclusion of an agreement *ad referendum* between the two countries; that should a constituent assembly be convened to amend the provisions of Article 3, domestic political considerations might induce the Dominican Government to suggest other amendments having no bearing on the boundary question and it might become entangled with domestic political matters. This, I thought, would be most unfortunate. I suggested that the logical order of events in view of the considerations which I had advanced would be (1) agreement on boundary question, (2) constituent assembly, if necessary, to amend provisions of Article 3, (3) ratification of boundary agreement.

The Haitian Minister agreed fully with my suggestions, and again expressed his appreciation of the interest in the matter which had been taken by this Legation and of our obvious desire in an informal and discreet way to be of all possible assistance.

I have [etc.]

EVAN E. YOUNG

STATEMENT BY THE SECRETARY OF STATE REGARDING BOLSHEVIK AIMS AND POLICIES IN MEXICO AND LATIN AMERICA

810.00B/16a

*Statement Left by the Secretary of State With the Senate Committee
on Foreign Relations*⁹²

[WASHINGTON,] *January 12, 1927.*

BOLSHEVIK AIMS AND POLICIES IN MEXICO AND LATIN AMERICA

The Bolshevik leaders have had very definite ideas with respect to the role which Mexico and Latin America are to play in their general program of world revolution. They have set up as one of their fundamental tasks the destruction of what they term American Imperialism as a necessary prerequisite to the successful development of the international revolutionary movement in the new world. The propagation of communist ideas and principles in the various countries of Latin America is considered secondary to the carrying on of propaganda against the aims and policies of the United States. Thus Latin America and Mexico are conceived as a base for activity against the United States. Communists in the United States have been repeatedly instructed to devote special attention to the struggle against "American Imperialism" in Latin America and to the organ-

⁹² In a circular instruction, Jan. 27, 1927 (not printed), copies of this statement were transmitted to diplomatic officers in Latin America, with this notation: "Following was left with the Senate Committee on Foreign Relations as part of the records of the Department of State for the information of the Committee. The Secretary informed the Committee that it was not confidential."

ization of resistance to the United States. Bolshevik aims in this respect were succinctly set forth in a resolution of the Third Congress of the Red International of Trade Unions, July 8-22, 1924, as follows. It was resolved:

"... 4. To unite the national struggle against American Imperialism in individual countries in a movement on a scale of the whole American continent, embracing the workers of all countries of Latin America and the revolutionary forces of the United States. Mexico is a natural connecting link between the movement of the United States of North America and Latin America, therefore Mexico must be the center of union.

"... 7. In the name of the Trade Union Educational League of the United States, to appeal to the toilers of Latin America with a call to create a united front against American Imperialism. . . ."

Similarly, a representative of the American Communist Party, speaking at the VIth Session of the Enlarged Executive Committee of the Communist International on February 24, 1926, declared:

"The last and most important task of our party is the fight against imperialism. The Communist Party of America must become the defender of the oppressed peoples of Latin America. The time is not long distant when Latin America will become the China of the far west and Mexico the Canton of Latin America."

In the theses approved at the VIth Session of the Enlarged Executive Committee of the Communist International it is stated, with respect to Latin America,

"Latin America also can and must become a basis of support of the liberation movement against imperialism (against the imperialism of the United States). In the present state of things the nations living in Latin America are as a majority oppressed nations which sooner or later will be drawn into the struggle against the imperialism of the United States."

During the past few years the Bolshevik leaders have been giving more and more attention to anti-American activities in Mexico and Latin America. The Communists in the United States have been criticized for not displaying sufficient energy in this sphere. Very specific instructions in this regard were issued to the Communists in the United States in the "Resolution on the American Question" adopted at the VIth Enlarged Plenary Session of the Executive Committee of the Communist International at Moscow on March 15, 1926. It pointed out

"to the American Communist Party the tremendous importance which the labor movement (and the movement for independence) is assuming in the countries of South America. There is no doubt that in the future struggle for the overthrow of the yoke of the bourgeoisie

of the United States, the working class and the peasantry of Latin America will play a tremendous role. The American Communist Party must not be a party of self-centered interests but must become a party which understands how to raise the question of the hegemony of the proletariat in the whole movement for freedom which is directed against the imperialists of the United States. Moreover it is necessary that the workers (Communist) Party maintain the closest contact with the labor movement in the colonies of Cuba, the Philippines, etc., and support them in their fight against American imperialism.

In view of this the Executive Committee of the Communist International instructs the Central Committee of the American Communist Party to devote the most serious attention to the tasks cited and above all to appoint an earnest group of Party workers to participate in the current work in Latin America in agreement with the Presidium of the Executive Committee of the Communist International."

In accordance with Moscow's instructions the American Communists during the last two years have been placing special emphasis on their anti-American work in Mexico and Latin America. Considerable attention was given to this matter at the Fourth Convention of the Workers (Communist) Party in Chicago, August 21-30, 1925. A special organization known as the All-American Anti-Imperialist League has been created by the American Communists to carry out the instructions of Moscow in the matter of organizing Latin America against the United States. The following is taken from a report on "Anti-Imperialist Work" delivered at the Fourth National Convention referred to above:

"The Fifth Congress of the Communist International severely criticised nearly all the Communist Parties in the imperialist countries for not carrying on a sufficiently energetic campaign against imperialism.

"Under the present Central Executive Committee, the Workers Party of America has for the first time made anti-imperialist work one of its basic activities. The outstanding feature of our work against American imperialism is that it has entered the field of active practical cooperation with the oppressed peoples of American imperialism, the most important step in this connection being the successful organization of the All-America Anti-Imperialist League.

"In January of this year 1925 a sub-committee was elected by the Central Executive Committee which assumed charge of all the anti-imperialist activities of the Party. This committee prepared material for campaigns, furnished articles on imperialism for the party press, drew up manifestoes and leaflets, and was the medium through which the party cooperated with anti-imperialist organizations in Latin-America. Manifestoes were issued to the Cuban Labor Congress held at Havana, to the International Marine Transport Workers' Convention held at New Orleans, several manifestoes to the Mexican

workers and to the Filipinos, a special May Day manifesto to the workers of Latin-America, a manifesto in connection with the Tacna-Arica affair—and other manifestoes and leaflets which will be referred to later on.

“Direct contact with Mexico was maintained throughout the period, through the visits of Comrades Johnstone, Gomez, and Lovestone to Mexico and through steady correspondence. Comrade Wagenknecht visited the Philippines and established connections there. Correspondence connections were also established, with greater or less success, with practically every country in Latin-America, as well as with Hawaii and the Philippines. Through our activities five Filipino delegates were secured for the International Transport Conference in Canton, for which our Party was commended by the Communist International.

“Our party has carried on a consistent campaign, both in this country and in Latin-America against the ‘labor imperialism’ of the so-called Pan-American Federation of Labor. Comrade Johnstone attended the convention of the Pan-American Federation of Labor at Mexico City, in November of last year, (1924) and cooperated with the Mexican Party in its strategy in connection with this convention.

“Comrade Gomez was sent to Mexico in April of this year (1925) and attended the convention of the Communist Party of Mexico as fraternal delegate from our Party. During this visit plans for joint action of the Mexican, Central American and United States parties against imperialist policies of the Pan-American Federation of Labor were adopted.

“Our Party was largely instrumental in the establishment of the All-American Anti-Imperialist League, which although organized only a few months ago and still in its initial stages, has aroused a real response in Latin-America, despite the miserably small funds which we were able to put into this work. The All-America Anti-Imperialist League was endorsed by the Communist International and the Red International of Labor Unions.

“The League is a non-partisan international organization admitting to affiliation all groups in the Americas willing to take up the fight against American imperialism. It aims to give driving force and centralized expression to the national liberation movements in Latin-America, Hawaii, the Philippine Islands, etc., in alliance with the movement of this country.

“The All-America Anti-Imperialist League has a special secretariat located in Mexico City, under whose supervision the monthly Spanish language organ of the league, which has now published five issues is edited, as well as special manifestoes, leaflets, etc. Our party has contributed towards defraying the expenses of the monthly magazine *El Libertador* and towards other expenses of the Mexico City secretariat, but lack of funds has made it impossible to give adequate support in this respect.

“A regular section of the All-America Anti-Imperialist League has been formed in Cuba, with Julio Antonio Mella as secretary, and is extremely active, holding mass meetings, lectures, etc. Labor, peasant, and student organizations in Costa Rica, Panama, Salvador, and Peru have affiliated with the League, but no regular sections

have been formed in those countries as yet. Contacts have been established with some of the foremost intellectuals of Latin-America, who are supporting the league and writing for its monthly organ.

"At the suggestion of our Party, the League sent out the call for the observance throughout America of 'Anti-Imperialist Week' (June 29 to July 4), calling upon all anti-imperialist organizations in special literature, to conduct mass meetings, hold demonstrations in front of American consulates and embassies, etc. Our Party published a special leaflet for Anti-Imperialist Week and actively co-operated in its observance.

"Tentative plans are already being laid, also at the suggestion of our Party, for an All-America Anti-Imperialist congress to be held at Buenos Aires some time next year."

The Fourth Convention listed among the concrete tasks of the Party

"To carry on a systematic and active agitation against American imperialism, particularly in Latin America. To demand the withdrawal of American armed forces from foreign lands. . . .

"To give active support to the activities of the All-America Anti-Imperialist League."

The same Convention adopted a lengthy resolution with respect to the struggle against American imperialism. This resolution pointed out that

"there is sufficient homogeneity to permit the building of a powerful continental movement of workers and farmers against American imperialism, and sufficient resentment due to the occupation of the Central American and Caribbean countries, the sustaining of autocracies such as those of Venezuela and Peru by United States aid, the interference in the internal affairs of all of the countries, the system of financial and military advisors, the monopolistic Monroe Doctrine and the robbery of the tremendous natural resources of Latin America."

The resolution declared that there were "millions groaning under the American imperialist rule" in the Philippines, Porto Rico, Cuba, Mexico, Haiti, etc., and that it was the task of the Communists to give active support to the anti-American movements in the various countries in Latin America. The resolution continues:

"42. There is a strong tradition of Latin-American solidarity which is a historic force for the unification of the anti-imperialist movements of the various Latin-American countries. This will be an important weapon in the struggle against Wall Street. The All-America Anti-Imperialist League was created as the expression of the liberating movement of all the exploited peoples of the continent. The Workers Party took part in the creation. Represented in the League are also the Communist Parties of Mexico, Central America, and South America, as well as student groups, labor organizations, peasant leagues and national societies in various countries.

"43. For us, the League constitutes an organizational expression of our determination to fight side by side with the exploited peoples of America's colonies and semi-colonies. While we strive to make the groups affiliated to the All-America Anti-Imperialist League recognize in the Communists and the Communist International, the leaders of the world struggle against imperialism, we must work conscientiously to build up the league itself to push it into activity and to make of it a powerful driving force for the overthrow of American imperialism.

"44. The following is our concrete program of joint action with the exploited peoples for the struggle against American imperialism.

(a) Expose the purpose and methods of American imperialism everywhere.

(b) Demand independence for all American colonies and unconditional withdrawal of American troops from Latin-America, Chinese and other foreign soil.

(c) Actively support Latin-American strikes against American concerns.

(d) Ideological and practical struggle against the doctrine of Pan-Americanism.

(e) Expose and struggle against the so-called Pan-American Federation of Labor as an agency of American imperialism, and the Mexican and American Parties shall work out joint plans for exposing the true character of the Pan-American Federation of Labor and propagate the idea of the formation of Latin-American Labor Federation with anti-imperialist tendencies.

(f) Interchange of delegates at conventions and close cooperation with the Communist Parties of Latin-America; fraternal relations with the parties of the Far East.

(g) Help build the All-America Anti-Imperialist League into a powerful organization for the overthrow of American Imperialism.

(h) Immediately strive to build up sections of the All-American Anti-Imperialist League in parts of the United States, through affiliation of resident organizations of Mexicans, Filipinos, Chinese, etc.

(i) Support the proposed plan of the All-American Anti-Imperialist League for an All-American Conference against Imperialism.

(j) *The Machete*, organ of the Mexican Communist Party, and *El Libertador*, organ of the Anti-Imperialist League (published in Mexico) should be circulated among the Spanish-speaking workers of the United States."

The activities and plans of the American Communists as regards the organization of opposition to the United States in Mexico and Latin America are summed up admirably in a resolution passed by the Central Executive Committee of the Workers (Communist) Party on November 12, 1926. This resolution reads as follows:

"The tasks of our Party at the present time, as set forth in the resolution of the political committee, are those presented by the conditions of imperialism. American imperialism is able to win over large sections of the American workers by sharing with them

a small part of super-profits and continues to extend its hegemony in foreign fields. However, the steady expansion of American capitalism upon an imperialist basis is accompanied by the enormous extension of the vulnerable surface which it presents to attack. Recent months have furnished striking evidence of the widespread movement for Latin-American unity against Wall Street. We cite particularly the present attitude of the Calles Government in Mexico—its general Latin-Americanism, its policy in Central America, its tendency toward cooperation with the All-America Anti-Imperialist League, and the decision of President Calles to send a personal representative to the Brussels world conference against imperialism.

"The comintern has repeatedly indicated that a basic task of any party situated in an imperialist country is to stimulate and give aid to the nationalist and national revolutionary movements in the colonial and semi-colonial countries under the heel of imperialism. This, together with the work among the American masses, form the basis of our party work. While our party has made considerable progress in anti-imperialist work, it is still far from a proper realization of the importance of this work. A far greater proportion of the party's resources must be utilized in anti-imperialist activities. District executive committees must have standing subcommittees on anti-imperialist activity, and these must be directed by capable comrades. The party machinery on a district as well as a national scale must be drawn into this work.

"The anti-imperialist work has been greatly hampered by lack of sufficient comrades. The party must take measures to create and train a corps of comrades engaged directly in anti-imperialist work.

"In spite of many handicaps, we have done much to build the All-America Anti-Imperialist League into an organization engaged in actual struggle against imperialism. We have carried on systematic work inside of the Pan-American Federation of Labor and have achieved some valuable results there. We have participated in work against United States imperialism in a number of Latin-American countries, notably Mexico, Porto Rico, Cuba, Panama and Peru. We have also established some contact with the Philippine independence movement, altho we have yet to establish our own nucleus there.

"The main task for the period immediately ahead is the building of a substantial section of the AAAIL (All-America Anti-Imperialist League) in the United States itself. This will be accomplished thru the affiliation of groups organized around specific issues, such as hands-off-Mexico committees, etc. The Workers (Communist) Party must remain the central factor in the United States section of the AAAIL, grouping around itself as closely as possible other working-class organizations."

The significance of Mexico in the eyes of the so-called Soviet government is revealed in the following extract from the report of Chicherin, made at the III Session of the Union Central Executive Committee in March 1925:

"Resumption of Diplomatic Relations with Mexico

"In America, in this manner, we still stand before a question mark. But in this time we have succeeded in re-establishing diplomatic rela-

tions, which give us a political base in the new continent, with the neighbor of the United States, Mexico. The Mexican Government is based on the Right trade unions and the radical small bourgeoisie. The Soviet Republic is extraordinarily popular in Mexico. Our plenipotentiary representative, Pestkovsky, met in Mexico the most enthusiastic reception, receiving constantly from all sides expressions of the most friendly, even enthusiastic, attitude toward the Soviet Republic. Mexico gives us, thus, a very convenient political base in America for the development of our further ties."

As respects relations between the Soviet Legation in Mexico City and Communist activities being carried on in Mexico there is the following evidence:

(1) Statement by Mexican Labor Deputy, Ricardo Trevino, in the Mexican Chamber of Deputies on September 9, 1925:

"I can not say which are the better elements, whether ours or the Reds or those whom the Russian Minister brought. And on this point I must say that there are documents in which it is established that certain Red and Communist elements receive money from the said Minister and from the Communists at Moscow in order to work along Communist lines in Mexico against the United States whereby they would provoke an international conflict."

(2) Communication addressed to the Soviet Minister by the Central Committee of the Mexican Federation of Labor by direction of the Seventh Congress of that organization:

"To the Minister of Russia in Mexico City:

... On the other hand there was also considered by the Convention the report referring to the fact that in the diplomatic mission in your charge moral and economic support is lent to so-called Communist radical groups, the enemies of the Mexican Federation of Labor and of our government.

"This Central Committee was ordered by the Convention to inform you in your character as representative of Russia in Mexico that the Mexican labor movement represented by this confederation maintains the principle that the workers of each country must be organized in accordance with their opinions and necessities and that no nation has the right to impose nor to lay down for another the doctrine which must control its activities."

(3) Resolution adopted March 6, 1926, at the Seventh Annual Convention of the Mexican Federation of Labor:

"... 3. That a courteous invitation be extended by the Central Committee to the diplomatic representative of Russia accredited to Mexico so that his office may abstain from lending moral and economic support to the so-called radical group, enemies of the Mexican Federation of Labor and of the government."

**REPRESENTATION OF THE UNITED STATES AT THE MEETING OF
THE INTERNATIONAL COMMISSION OF JURISTS, HELD AT RIO DE
JANEIRO, APRIL 18-MAY 20, 1927 ⁹³**

710.C2/211a

The Secretary of State to Dr. James Brown Scott ⁹⁴

WASHINGTON, March 15, 1927.

SIR: The Department refers to the credentials signed by the President on July 8, 1924,⁹⁵ designating you as a Delegate to the International Commission of Jurists, which was then scheduled to meet in Rio de Janeiro in 1925. Inasmuch as that meeting was not held, and in order to obviate any question as to the adequacy of your credentials in connection with the postponed meeting, which is to be held in Rio de Janeiro in April, 1927, the Department transmits herewith a new Presidential certificate of appointment, which you will present at the appropriate time as evidence of your designation on the part of the United States as Delegate to the Congress constituted pursuant to a Resolution of the Fifth International Conference of American States. The certificate of appointment signed by the President on July 8, 1924, should be returned to the Department, through the American Embassy at Rio de Janeiro.

The Resolution of the Fifth International Conference of American States, pursuant to which the Congress of Jurists is to meet in Rio de Janeiro next month, reads as follows: ⁹⁶

"RESOLUTION.

Codification of American International Law.

**"The Fifth International Conference of American States,
RESOLVES:**

1. To request each Government of the American Republics to appoint two Delegates to constitute the Congress of Jurists of Rio de Janeiro;
2. To recommend that the Committees appointed by the Congress of Jurists be reestablished;
3. To request these Committees to undertake and to reconsider their work in the light of the experience of recent years and also in view of the resolutions of the Fifth International Conference of American States;

⁹³ For correspondence and a report concerning the meeting held in 1912, see *Foreign Relations*, 1912, pp. 18 ff.

⁹⁴ An identical instruction was also addressed to the other American delegate, Dr. Jesse S. Reeves (file No. 710.C2/211b). These instructions were forwarded to the delegates through the American Embassy in Rio de Janeiro.

⁹⁵ Not printed.

⁹⁶ The resolution is also printed in *Report of the Delegates of the United States of America to the Fifth International Conference of American States*, etc. (Washington, Government Printing Office, 1924), as appendix 14, p. 131.

4. To designate a Committee for the study of comparative Civil Law of all the nations of America in order to contribute to the formation of Private International Law, so that the results of this study may be utilized at the next meeting of the Congress of Jurists. It is understood that in the term 'Civil Law' there are included the following topics: Commercial Law, Mining Law, Law of Procedure, etc. Criminal Law may also be included therein;

5. To convene the International Congress of Jurists at Rio de Janeiro during the year 1925; the precise date to be determined by the Pan American Union after consultation with the Government of Brazil;

6. To recommend to this Congress that in the domain of International Law, the codification should be gradual and progressive, accepting as the basis the project presented to the Fifth International Conference by the Delegate of Chile, Mr. Alejandro Alvarez, entitled 'The Codification of American International Law;'

7. The names of the Delegates referred to in Clause 1, should be communicated to the Government of Brazil and to the Pan American Union;

8. The resolutions of the Congress of Jurists shall be submitted to the Sixth International Conference of American States, in order that, if approved, they may be communicated to the Governments and incorporated in Conventions;

9. To recommend to the Congress of Jurists that will prepare an American Code of Private International Law, that if it should consider it advisable, it decide previously the juridical system or systems to be adopted or to be combined, instructing to that effect the Special Committees to be appointed to draft said Code, and taking into consideration the motions submitted to the Fifth Pan American Conference by the Delegations of Argentine, Brazil and Uruguay, as well as any other that may be submitted."

While this Resolution provides that the conclusions of the Congress of Jurists shall be submitted to the Sixth International Conference of American States in order that, if approved, they may be communicated to the Governments and incorporated in conventions, it appears that the purpose and scope of the Congress is similar to the purpose and scope of the International Commission of Jurists, which was created by the Third Pan American Conference,⁹⁷ and which met in Rio de Janeiro in 1912. This earlier Commission was instituted to prepare a draft of a code of Private International Law, and one of Public International Law regulating the relations between the Nations of America.

Codification is a clear, systematic and authoritative statement of existing law; it does not involve the framing of new legislation. The Delegates of the United States to the Congress of Jurists should not, therefore, participate in the drafting of new international legis-

⁹⁷ For text of the convention establishing an International Commission of Jurists, signed Aug. 23, 1906, see *Foreign Relations*, 1906, pt. 2, p. 1601.

lation embodying changes in the existing systems of law of the Nations of the Western Hemisphere. Accordingly, you are instructed to scrutinize all proposals in the light of the existing treaty arrangements and established policies of the United States of America.

The draft plans for the reorganization of the Pan American Union, contemplated by Project No. 9 of the Projects of Conventions, formulated by the American Institute of International Law, and the draft plans for a Pan American Court of Justice, Project No. 28 of the Projects of Conventions, formulated by the same Institute,⁹⁸ would require for their realization the conclusion of international agreements far-reaching in character and of doubtful advantage. As to such proposals the Delegates on the part of the United States should take no position from which ultimate official approval of the projects might even be inferred. You will, of course, take no position on any question which might be construed as committing the Government of the United States in any way whatsoever.

In a letter to the Secretary of State, dated March 15, 1926, the Director General of the Pan American Union referred to the following recommendation, approved by the Fifth International Conference of American States on May 3, 1923:

"To forward to the Congress of Jurists which is to meet at Rio de Janeiro in 1925 for the Codification of International Law, the proposal presented by the Delegation of Costa Rica, regarding the creation of a Permanent Court of American Justice, as well as all other proposals that the various American Governments may formulate in this respect."

In compliance with this recommendation the Director General transmitted a copy of the project to which it referred, and requested that the text of the recommendation and a copy of the project of the Delegation of Costa Rica be transmitted to the Delegates on the part of the United States to the Congress of Jurists. In accordance with this request there are attached hereto a copy of the letter from the Director General of the Pan American Union, dated March 15, 1926, and a copy of the project of the Delegation of Costa Rica referred to therein.⁹⁹

In connection with this project you are informed that although the Government of the United States is most hospitable to the considera-

⁹⁸ For texts of projects 9 and 28, see American Institute of International Law, *Codification of American International Law: Projects of Conventions Prepared at the Request on January 2, 1924, of the Governing Board of the Pan American Union for the Consideration of the International Commission of Jurists*, etc. (Washington, Pan American Union, 1925), pp. 38 and 106.

⁹⁹ Enclosures not printed. For text of the project of the delegation of Costa Rica, see Quinta Conferencia Internacional Americana, Santiago de Chile, *Verbatim Record of the Plenary Sessions of the Fifth International Conference of American States* (Santiago de Chile, Imprenta Universitaria, 1925), vol. 2, footnote 1, pp. 345 ff.

tion of measures tending to the maintenance of peace and stability in Latin America and insuring a basis for beneficent cooperation it does not consider that the establishment of a Permanent Court of American Justice would be desirable. There would seem to be no reason why a permanent organization of this sort should be established in America to rival the Permanent Court of International Justice at The Hague, and the difficulty of establishing, in view of the relations of the Latin American states, a satisfactory method of selecting the judges of an American Permanent Court would be very great. What would seem to be needed, in order to promote judicial settlement of international controversies in this hemisphere, is an improved plan for arbitral settlements. In this way controversies of which disposition could be more advantageously made by an American tribunal could be referred to a tribunal established for the purpose in accordance with the accepted principles of arbitral procedure. It should be remembered in this connection that the representatives of five of the Latin American Republics, to wit, the Republics of Costa Rica, Guatemala, Honduras, Nicaragua and El Salvador, signed on February 7, 1923, a Convention for the establishment of a Central American tribunal,¹ with the provisions of which you are doubtless familiar. It is believed that a similar arrangement would meet the requirements of judicial settlement of controversies between all the Latin American States. If, therefore, adequate measures are taken to add to the existing facilities an appropriate plan for the arbitration of justiciable controversies, the proposal of the Delegation of Costa Rica to the Fifth Pan American Conference, providing for a Permanent Court of American Justice, would appear to be suitably met.

[Here follows a paragraph relating to expenses to be allowed the delegates.]

I am [etc.]

FRANK B. KELLOGG

710.C2/226a : Telegram

The Secretary of State to the Ambassador in Brazil (Morgan)

[Paraphrase]

WASHINGTON, May 11, 1927—noon.

17. The following message has been received by the United Press here from its Rio de Janeiro service: ²

¹ For texts of the convention and protocol, see *Conference on Central American Affairs, Washington, December 4, 1922–February 7, 1923* (Washington, Government Printing Office, 1923), pp. 296 and 401. The protocol, in which the United States "expresses its full sympathy and accord with the purposes of the aforementioned Convention" and agrees to cooperate "in the realization of said purposes", is also printed in *Foreign Relations*, 1923, vol. I, p. 327.

² Quotations in this telegram not paraphrased.

"U. S. delegate James Brown Scott announced at International Jurists conference here that the U. S. secretary of state would propose a convention creating an inter-American arbitration tribunal 'to which all American nations would submit all questions of whatever nature otherwise insoluble.'

He stated that arbitration should be most ample without restrictions, except sovereignty and independence of litigant nations, which would have option to use this or any other tribunal."

It is requested that you ascertain and report by cable whether Scott is quoted accurately. Your attention is invited, for your own information in this connection, to the following sentence contained in the instructions sent to the American Delegates through the Embassy:

"You will, of course, take no position on any question which might be construed as committing the Government of the United States in any way whatsoever."

No resolution whatever with a view to recommending a convention for establishing a tribunal of inter-American arbitration has been taken by the Secretary of State. If the matter were placed officially before the attention of this Government, naturally it would receive serious consideration, but we are not committed to the making of a recommendation of such a nature on our own initiative at this time, and it cannot be permitted that the United States delegates to the Commission of Jurists so commit this Government by any declaration.

KELLOGG

710.C2/228 : Telegram

The Ambassador in Brazil (Morgan) to the Secretary of State

RIO DE JANEIRO, May 12, 1927—3 p. m.

[Received 3:30 p. m.]

22. Messrs. Brown Scott and Reeves have handed me the following communication in relation to the subject of Department's confidential telegram 17, May 11, noon:

"Referring to pages 5 and 6 of instructions of March 15th. American delegates contemplate nothing more than plan for arbitrary settlements based wholly on convention of February 7, 1923, establishing a Central American tribunal thus providing 'adequate measures' 'to existing facilities' in order to form 'an appropriate plan for the arbitration of justiciable controversies' in this hemisphere.

The American delegates have given notice that they will introduce a plan but have not yet done so. The delegation contemplates introducing plan in plenary session of Saturday afternoon next, of which through agreement with President of Commission there will be neither discussion nor vote except possible reference to forthcoming Habana Conference."

MORGAN

710.C2/228 : Telegram

The Secretary of State to the Ambassador in Brazil (Morgan)

WASHINGTON, May 13, 1927—5 p. m.

18. Your 22, May 12, 3 p. m. Please deliver the following immediately to Messrs. Scott and Reeves :

"Referring to your communication transmitted in the Embassy's May 12, 3 p. m., and having in mind the evident disposition as reflected in recent press despatches to attribute unusual official importance to the statements and proposals of the American Delegates, the Department does not consider it practicable or advisable for you to submit to the plenary session any plan such as the one you have in contemplation. Your plan has not been submitted and considered here, and from your statement it would not even be discussed or voted upon by the Commission of Jurists. The practical result of the proposed action would be to involve this Government in an implied commitment in favor of some plan which it has had no opportunity to examine and pass upon, thereby limiting to a certain degree its freedom of action at the next Pan American Conference. In these circumstances you are instructed to refrain from introducing the plan."

KELLOGG

710.C2/230 : Telegram

The Ambassador in Brazil (Morgan) to the Secretary of State

RIO DE JANEIRO, May 14, 1927—11 a. m.

[Received May 14—10:55 a. m.]

24. Messrs. Brown Scott and Reeves have handed me the following text for transmission to the Department :

"In compliance with the Department's telegram of May 13th, we hasten to state that we shall refrain from introducing the plan. We avail ourselves of the opportunity of expressing our appreciation of the courteous language in which the Department's instruction is couched."

MORGAN

710.C2/240

The Delegates of the United States to the International Commission of Jurists (Scott and Reeves) to the Secretary of State

WASHINGTON, June 10, 1927.

SIR: The undersigned, Delegates of the United States of America, to the International Commission of Jurists created by resolution of April 26, 1923, of the Fifth International Conference of the American Republics, held at Santiago de Chile, to codify international law, public and private, have the honor to submit their report as Delegates of the United States, on the nature of the Commission, its procedure and labors, resulting in a recommendation of twelve projects of public

international law,³ and a convention of private international law consisting of no less than 439 [437] articles,⁴ to be transmitted to the Sixth of the American Conferences, which is to convene at Habana, January 16, 1928, for such consideration as that body shall be pleased to give to them.⁵

The word "codification" is used in a two-fold sense: strictly, as a statement of the law actually in force; and popularly, as a statement, not merely of the law in force, but such as it should be, in the opinion of those undertaking its formulation and statement. The Delegates of the United States have understood "codification" in its first and strict sense, and the sense in which they believe that the Commission likewise understood it. The projects, therefore, of public international law are in general, it is believed, an acceptable statement of the practice, not only of any one Republic, but of the American Republics, in their relations with one another. Whenever a statement did not seem to be in accord with the law as understood in the United States, the American Delegates called attention to that fact and entered what is called a "reserve". On one occasion they interposed their reserve to an entire project—that on asylum—on the ground that the practice of receiving political fugitives in a legation or embassy is contrary to the practice of the United States of America.

In the matter of the conflict of laws—which the Latin American States universally call "private international law"—the Delegates of the United States entered a general reserve to the entire convention, on the ground that the practice of the United States based, as it is, on domicile, is necessarily so opposed to the practice of those countries accepting the principle of nationality that it was better to refer the projected code of private international law in its entirety to the Department of State, in order that the appropriate authorities of the government might determine the extent to which the United States might be able or willing to accord its approval.⁶

The Delegates of the United States are of the opinion that there is no provision in any one of the twelve projects of public international law, with the exception of that on asylum, which is contrary to any-

³ For texts of projects, see International Commission of Jurists (Sessions held at Rio de Janeiro, Brazil, April 18th to May 20th, 1927), *Public International Law: Projects To Be Submitted for the Consideration of the Sixth International Conference of American States* (Washington, Government Printing Office, 1927).

⁴ For text of convention, see International Commission of Jurists (Sessions held at Rio de Janeiro, Brazil, April 18–May 20, 1927), *Private International Law: Project To Be Submitted for the Consideration of the Sixth International Conference of American States* (Washington, Government Printing Office, 1927).

⁵ For texts of the conventions and the code of private international law as adopted at the Habana Conference, see *Report of the Delegates of the United States of America to the Sixth International Conference of American States*, etc. (Washington, Government Printing Office, 1928), pp. 96 ff.

⁶ For text of the declaration of the delegation of the United States annexed to the convention and code as adopted at the Habana Conference, see *ibid.*, p. 167.

thing to be found in the projects transmitted by the Pan American Union, and they believe that they did not, at any time during the session of the International Commission of Jurists, make or countenance any proposal which was inconsistent with the provisions, in whole or in part, of the Pan American Union projects, with which the officials of the Department of State are familiar.

The International Commission of Jurists for the Codification of International Law, Public and Private, formally opened its proceedings on the evening of April 18, 1927, in the Monroe Palace, in the City of Rio de Janeiro, the incomparable Capital of the United States of Brazil.

The Commission owed its immediate origin to a Resolution of the Fifth Conference of the American Republics meeting in Santiago de Chile, in the Spring of 1923, by virtue of which each of the twenty-one American Republics was authorized and requested to appoint two jurists; and the jurists thus appointed were to compose the International Commission which was to meet two years later, in Rio de Janeiro, at a date to be fixed by the Governing Board of the Pan American Union, composed of the diplomatic representatives of the American Republics, which holds its regular monthly sessions in the Pan American Building, in the City of Washington.

The date finally agreed upon by the Governing Board, in consultation with the Minister of Foreign Affairs of Brazil, was April 16, 1927; and two days later, April 18th, the Commission was, in fact, formally opened by His Excellency Octavio Mangabeira, Minister of Foreign Affairs, in the presence of the Diplomatic Corps accredited to Rio de Janeiro, and other leading personalities of the Brazilian Capital.

The Commission chose as its President, the Honorable Epitacio Pessoa, an ex-President of the Republic, who had also presided the first Commission of Jurists, which had likewise met in Rio de Janeiro, in the summer of 1912. The Brazilian Government appointed as Secretary General the distinguished *littérateur*, Mr. Gustavo Barrosa, member of the Brazilian Academy of Letters, and Correspondent of the Royal Society of Literature of England.

Of the twenty-one American Republics, all but Guatemala, Honduras, Nicaragua, and San Salvador [*Salvador*], four of the five Republics of Central America, were represented in the Commission. Of the seventeen Republics taking part in the Commission, Argentina, Bolivia, Brazil, Colombia, Cuba, Mexico, Uruguay and Venezuela, were represented by two delegates each, apparently on the theory of one for public, and the other for private international law. Eight of the Republics (Chile, Costa Rica, Ecuador, Haiti, Panama, Paraguay, Peru and Santo Domingo [*Dominican Republic*]) had but a

single delegate each. The two delegates of the United States were appointed without special reference to one or the other of the two branches of international law, and took part in the proceedings concerning each branch.

Under a Convention adopted at Rio de Janeiro by the Third Pan American Congress, meeting in that city in 1906, there had been appointed a first Commission for the Codification of International Law, Public and Private. It met in the summer of 1912, in the same city of Rio de Janeiro; and it failed, owing to a lack of preparation. It adjourned within a few weeks after its opening session, never to meet again, due, it is believed, to the outbreak of the World War two years later. The second Commission succeeded because of adequate preparation in advance of its sessions, with some thirty projects of convention dealing with certain phases of public international law, and a complete code of private international law to serve as the bases of discussion; and when the Commission adjourned, on the evening of May 20, 1927, it had twelve draft conventions of public international law to its credit: Fundamental Bases of International Law; States—Existence, Equality and Recognition; Status of Aliens; Treaties; Exchange of Publications; Interchange of Professors and Students; Diplomatic Agents; Consuls; Maritime Neutrality; Asylum; Obligations of States in Event of Civil War; and Pacific Settlement of International Conflicts; and a complete code of private international law.

Within recent years, in Europe, two peace conferences have been held at The Hague, in which certain phases of international law were put in the form of conventions. In the first, of 1899,⁷ three conventions and three declarations were adopted in a session beginning May 18th and ending July 29th of that year, that is to say, in a session of approximately two and a half months. In the Second Hague Peace Conference, of 1907,⁸ thirteen conventions and one declaration were adopted. This Conference met from June 15th to October 18th—a session of a little over four months. There have been some conferences on private international law likewise held at The Hague, which have put in conventional form some topics on the conflict of laws. But hitherto, there has been no conference in Europe in which international law both public and private has been considered, and the labors of the various Hague Conferences on these two branches of the law do not equal—if the results achieved in private as well as public international law can be considered—the work of the Commission of Jurists meeting in Rio de Janeiro in 1927.

The modern movement of the Americas in favor of codification is due to gatherings of the American Republics commonly called Pan

⁷ See *Foreign Relations*, 1899, pp. 511 ff.

⁸ See *ibid.*, 1907, pt. II, pp. 1099 ff.

American Conferences. The first of the series was proposed on November 29, 1881, by Secretary of State Blaine,⁹ to consider how the Americas could be spared the horrors of internecine wars by a timely resort to arbitration and other peace-keeping agencies. On October 2, 1889, the Conference met in Washington under Secretary Blaine's presidency and adjourned April 18 [19], 1890.¹⁰ The second Conference was held in the City of Mexico from October 22, 1901, to January 31, 1902.¹¹ There the first conscious step was taken toward codification. Upon the motion of the Brazilian delegation, a convention was agreed to and signed on January 27, 1902,¹² for the codification of public and private international law by a commission of seven persons of whom five should be publicists of the Americas, and two of Europe.

When the Third Conference assembled four years later in Rio de Janeiro,¹³ no progress had been made towards the realization of what may be termed this peculiarly American ideal. It was at the third of the Conferences, in the City of Rio de Janeiro, that definite action was taken in behalf of codification by a formal convention of eighteen of the American Republics, and ratified by fifteen of those then and there represented, just as the possibility of condification was to be demonstrated in Rio de Janeiro by the International Commission of Jurists in 1927. The ratifying Republics (Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, Guatemala, Honduras, Mexico, Panama, Peru, Salvador, United States and Uruguay) pledged themselves by convention of August 23, 1906, to the codification of public and private international law through a commission of experts to be composed of a delegate from each of the contracting Republics. However, when the fourth Pan American Conference met in Buenos Aires in the summer of 1910,¹⁴ the Commission had not as yet assembled. The action taken in Rio de Janeiro in favor of codification was reaffirmed¹⁵ and the proposed commission was ultimately enlarged so that two delegates instead of one from each, represented the contracting Parties.

⁹ *Foreign Relations*, 1881, p. 13.

¹⁰ For reports and recommendations of this Conference with reference to the adoption of a uniform code of international law, see Executive Document No. 183, 51st Cong., 1st sess.; also, International American Conference, 1890, *Reports*—a collection of reports of United States delegates to, and reports of committees of, the first International American Conference, 1889-90, and a collection of "Treaties now in force [1884] with the Central and South American States"—(Washington, Government Printing Office, 1890).

¹¹ The report, with accompanying papers, of the delegates of the United States to the second Conference is printed in S. Doc. No. 330, 57th Cong., 1st sess.

¹² S. Doc. 330, 57th Cong., 1st sess., p. 201.

¹³ See *Foreign Relations*, 1906, pt. 2, pp. 1565 ff.

¹⁴ See *ibid.*, 1910, pp. 25 ff. For a report of the delegates with all the accompanying papers, see S. Doc. No. 744, 61st Cong., 3d sess.

¹⁵ S. Doc. 744, 61st Cong., 3d sess., appendix I, pp. 98-99.

The Commission itself met in Rio de Janeiro in the summer of 1912, and passed out of existence in the course of the same summer. The procedure to be followed had not been proposed beforehand, and projects for discussion had not been drafted and circulated among the interested Republics in advance of the meeting. When the delegates from seventeen States met, the Brazilian Government laid before them codes of public and private international law prepared respectively by Dr. Epitacio Pessôa and Dr. Lafayette Rodriguez Pereira.¹⁶ The Commission was unwilling to consider the codification of either public or private international law in its entirety. Although the first article of the convention stated that the Commission was to meet, "for the purpose of preparing a draft of a code of private international law and one of public international law, regulating the relations between the nations of America," the members declared themselves in favor of partial and progressive codification of each of the two branches of international law, and appointed a number of committees to collect information from the American governments, and to prepare reports on the subjects submitted to them for the consideration of the Commission at a later session.

The outbreak of the war in Europe in 1914 which affected profoundly the thought of the world and the relations of the American Republics—some of which were eventually drawn into the conflict—put an end to the labors of the first American Commission for the Codification of International Law. However, codification was to be adjourned only for the moment. In the Spring of 1923, some three years after the World War was officially declared to be ended, eighteen of the American Republics met in conference at Santiago de Chile, and in this fifth of the Pan American assemblies, a resolution was voted in favor of reconstituting the International Commission of Jurists, to be composed of two members from each of the American Republics, to meet in Rio de Janeiro, to proceed anew to the codification of public and private international law. The resolution contemplated the partial and progressive codification of public international law, and recommended to the Commission the projects of Mr. Alejandro Alvarez as a basis for discussion.¹⁷ A code of private international law was also to be prepared.

The Honorable Charles Evans Hughes was then Secretary of State of the United States, and, as such, Chairman of the Governing Board of the Pan American Union, as it was then organized. Deeply inter-

¹⁶ The Portuguese texts of these codes are printed in Epitacio Pessôa, *Codigo de Direito Internacional Publico* and Lafayette Rodrigues Pereira, *Codigo de Direito Internacional Privado* (Rio de Janeiro, Imprensa Nacional, 1911).

¹⁷ For Spanish text of these projects, see Alejandro Alvarez, *La Codificación del Derecho Internacional en América: Trabajos de la Tercera Comisión de la Asamblea de Jurisconsultos reunida en Santiago de Chile* (Santiago de Chile, Imprenta Universitaria, Estado 63, 1923), pp. 65 ff.

ested in the codification of both branches of international law, he was anxious that projects of both should be prepared well in advance of the meeting of the Jurists in Rio; that the projects should be drafted by unofficial publicists of repute, and transmitted by the Pan American Union to the various American governments, and by them laid before the International Commission of Jurists, for such consideration as its members should care to give to them. Therefore, Secretary Hughes proposed to the Governing Board of the Pan American Union, at its meeting of January 2, 1924, that the American Institute of International Law be invited to prepare a series of projects on public international law. The motion was unanimously adopted. The American Institute was thereupon invited to prepare the projects. It did so, and on March 2, 1925, Secretary Hughes was able to lay before the Governing Board a series of some thirty projects on timely and important phases of public international law.¹⁸ He advised that they be transmitted by the members of the Board to their respective Governments, and by them laid before the Commission to serve as a basis of discussion.

In presenting the projects in the four official languages of the Americas, Secretary Hughes said:¹⁹ "At last we have texts and projects, the result of elaborate study, for consideration. We have the inspiration and stimulus of this action full of promise for the world. We feel that, thanks to American initiative, we are on the threshold of accomplishment in the most important endeavor of the human race to lift itself out of the savagery of strife into the domain of law breathing the spirit of amity and justice." And he thus concluded his remarks: "I believe that this day, with the submission of concrete proposals which take the question of the development of international law out of mere amiable aspiration, marks a definite step in the progress of civilization and the promotion of peace, and for that reason will long be remembered. For in this effort we are not unmindful of the larger aspects of the question, and it is our hope that the American Republics by taking advantage of this opportunity may make a lasting contribution to the development of universal international law."

The success of the American Institute in framing projects of public international law suggested to Secretary Hughes the feasibility of preparing a code of private international law. He therefore proposed at the same session of the Governing Board of the Pan American Union—the last [at] which he was to preside—that the Executive Committee of the American Institute be invited to prepare "a project or series of projects embodying the principles and rules of private international law for the consideration of the commission of jurists."

¹⁸ For texts, see American Institute of International Law, *Codification of American International Law: Projects of Conventions Prepared at the Request on January 2, 1924, of the Governing Board of the Pan American Union, etc.* (Washington, Pan American Union, 1925).

¹⁹ See *ibid.*, p. 3, par. 2, l. 2.

This motion was unanimously adopted by the Board, and a special committee of the American Institute, which had already been appointed by that body at its meeting in Lima in anticipation of such a request, undertook the preparation of the desired code. The distinguished publicist of Cuba, Mr. Antonio Sanchez de Bustamante y Sirvén, laid aside the many important and pressing calls upon his time, to prepare a code of private international law. This was done in the course of a few weeks, approved with slight modifications by the committee of the American Institute at a special meeting in Habana, laid before the Governing Board of the Pan American Union on February 3, 1926,²⁰ by Mr. Hughes' successor, Secretary of State Kellogg, [and] transmitted to the Governments of the American Republics to be by them laid before the International Commission of Jurists. Therefore when this body met in Rio de Janeiro on April 16, 1927, it found itself in possession of thirty projects of international public law, and a code of private international law of no less than 435 articles.

The members of the International Commission of Jurists met in Rio de Janeiro under very different conditions from those of its predecessor of 1912. It was ready to go to work, and it lost no time in getting to work. In advance of the opening meeting the delegates already in Rio met informally at the residence of Mr. Rodrigo Octavio, the second of the Brazilian delegates, and himself a person of great and deserved distinction in the domain of private international law. Mr. Epitacio Pessôa, who had been President of the first Commission and, in the interval between the two, President of the Republic of Brazil, was also present. This informal and unofficial exchange of views great[ly] facilitated the future labors of the Conference. It was there suggested that Mr. Pessôa should be asked to preside over the Commission; that the rules of the first Commission with sundry modifications and additions should be adopted, and that the Commission should be divided into two sections, to be composed of delegates from all of the Republics represented: Subcommission A, for public international law; Subcommission B, for private international law; that a Subcommission C, of five members, should be appointed to consider the ways and means of continuing the work of codification after the adjournment of the Commission; a Committee D, likewise of five members, for the uniformity of international legislation. These suggestions proposed by Mr. Victor M. Maurtua, delegate of Peru, met with unanimous

²⁰ See American Institute of International Law, *Codification of American International Law: A Project of a Code of Private International Law, Prepared at the Request, on March 2, 1925, of the Governing Board of the Pan American Union, etc.* (Washington, Pan American Union, 1926).

approval. It was also suggested by the members present, upon the motion of Mr. Bustamante, delegate of Cuba, that Mr. Mauritua should respond in behalf of the Commission to the address of welcome of the Minister of Foreign Affairs of Brazil, at the formal opening of the Commission.

Saturday, the 16th of April, had been agreed upon for the opening session of the Commission, but as this was a holiday, and as some of the delegations would not arrive on or before that date, the 18th was proposed by the Minister of Foreign Affairs. The members of the Commission met in the Monroe Palace at four o'clock of the afternoon of the 16th. The delegations of twelve countries, the quorum required for a regular meeting was present. Mr. Pessôa made a report of the informal suggestions and the proposal was adopted to have the formal opening take place on the evening of the 18th.

At five o'clock on the afternoon of Monday, the 18th, the delegates of seventeen American Republics met in the Senate Chamber of the Monroe Palace in a formal, which, however, the official minutes somewhat inaccurately call a preliminary session. The suggestions of the informal meeting of April 14th and of the regular session on the 16th were laid before the members and approved. The proposal of Mr. Pessôa by Mr. Bustamante as temporary President of the Commission was unanimously adopted; the rules of 1912²¹ as amended were likewise adopted; the division of the Commission into subcommissions was agreed to, as were the appointments of other committees. The appointment by several Republics of a single delegate instead of two, as recommended by the resolution of the Fifth Pan American Conference of Santiago, made it impossible for the two Commissions to meet at one and the same time, as the one delegate would be obliged to attend the session of each of the subcommissions. This cut in half the working hours of each, and laid an undue burden on the single delegates. It operated to the disadvantage of the Subcommission on public international law, as the Subcommission on private international law was to meet in the mornings, and that of public international law in the afternoons, when the Plenary sessions of the Commission were to be held. One or other had to suffer unless the plenary sessions should be in the evenings. This was, however, looked upon with disfavor and, with the exception of the formal opening, the plenary sessions were held in the afternoons at the expense of public international law.

Upon the proposal of the delegation of the United States, both members of the various delegations were allowed to register in and

²¹ For a draft of regulations for the International Commission of Jurists, as proposed at the first meeting in 1912, see *Foreign Relations*, 1912, p. 32.

attend both Subcommissions. This enabled them personally to take part in the sessions of the Subcommittee of public international law, and, by their presence, to show their interest in the Subcommittee of private international law. This is believed to have been the first occasion on which official delegates of the United States attended and took part in an official conference on the conflict of laws, to give private international law the name by which it is generally known in the English-speaking world.

At 9 o'clock on the evening of April 18th, the International Commission of Jurists met in plenary and official session. Mr. Pessôa, its temporary President, called the meeting to order and appointed a committee of three to await his Excellency Mr. Mangabeira, the Minister of Foreign Affairs of Brazil, and to escort him to the Chair. The Minister appeared and opened the Commission with a gracious and earnest address of welcome, in which he contemplated, indeed, predicted the success of its labors.

[Here follow extracts from Mr. Mangabeira's address. For full text, see *Bulletin of the Pan American Union*, October 1927, volume 61, page 956.]

On behalf of the Commission whose sessions were thus formally opened by the Minister of Foreign Affairs, Mr. Maurtua, of Peru, responded in the three-fold character of statesman, jurist, and philosopher. His address is too long to be reported in this place, and it is dangerous to paraphrase in English more than a few of its passages from a Portuguese print of a Spanish original.

[Here follows a summary, with quotations, of Mr. Maurtua's address. A full text is printed in *Bulletin of the Pan American Union*, October 1927, volume 61, page 957.]

At the conclusion of his address, Mr. Maurtua proposed as permanent President, Mr. Epitacio Pessôa, senior Delegate of Brazil, and former President of the Commission of Jurists of 1912. Elected without the formality of a vote, he assumed the Presidency amid the applause of his colleagues, and immediately delivered an excellent and admirably phrased address, so clearly pronouncing his Portuguese that even the foreigners divined its meaning, although they lost here and there a word, a phrase, or even a sentence. The American delegates feel it their duty to reproduce a paragraph or two in the text of this report, although the entire address is given in the appendix.²²

[Here follow extracts from Mr. Pessôa's address. For full text, see *Bulletin of the Pan American Union*, October 1927, volume 61, page 961.]

This was the atmosphere in which the official delegates of seventeen of the American Republics met, and this was the spirit in which they

²² The appendix containing Mr. Pessôa's address has not been found in Department files.

labored day and night, for the space of their sojourn in the most attractive, the most hospitable, and the most sympathetic of cities and of countries, in order to give to the Americas the inestimable benefit of a law known in advance, agreed to in conference, and to be interpreted and applied if necessary in tribunals of arbitration and courts of justice.

The Commission was now formally opened and ready to enter upon its arduous labors. The Sub-Commission B. on Private International Law met on the morrow at 10 in the morning; the Sub-Commission A. on Public International Law, at 3 in the afternoon, and the process of codification of the two branches began. Committee C. on the Ways and Means of Continuing Codification after the Commission's adjournment met later, and presented its report. The Commission, and all of its sub-divisions and committees adjourned on Friday, May 20, 1927, with codification in both domains a reality instead of a dream, a hope, an aspiration.

What was the nature of the International Commission of Jurists? The Commission was international, in the sense that it was composed of the official representatives of some seventeen independent and sovereign nations. It was continental, in that these nations were part of one and the same continent, and the nations were the free and equal Republics of America. Such was the outward aspect of the Commission. Looked at from within, it was a body of experts in international law, public and private—not a conference of diplomatists vested with political powers by the Republics appointing them, but jurists representing what our Latin American friends and neighbors so happily call the juridical conscience of the Americas. Their purpose was to state international law, public and private, in the form of articles—not to make law as a legislature, or to adopt conventions which, when ratified by the treaty-making Powers of their respective countries would become law for the High Contracting Parties. Their task was humbler, but still honorable: to state in the form of articles, principles of international law and the conflict of laws, to recommend them to the favorable consideration of the Sixth Conference of the Americas, to meet in Habana, January 16, 1928, in order that the diplomatic representatives of the American Republics taking part in that conference might, through the exercise of political power, invest them, in their original or modified form, with the force of conventional law. The diplomatic representatives, acting under instructions from the governments of their respective Republics would bind their countries to the extent of their instructions, and the countries would bind themselves and each to each, by subsequent ratification of the conventions adopted by the Conference.

The Commission was therefore a meeting of the jurists possessing the confidence of, and appointed by their respective governments for

the preparation of draft-conventions of public international law, and a code of private international law, to be submitted to the Sixth Conference of the American Republics, for such consideration as the Governments therein represented might care to give to them. The Commission of Jurists could not, therefore, bind the governments which they represented, nor could the Delegation bind the government appointing it. This was evidently the idea of the Conference of Santiago de Chile, which planned the Resolution creating the Commission; it was the conception of the Government of the United States as expressed in the commissions of its Delegates; it was the opinion of all of the Delegates themselves expressed in the first plenary session of the Commission, and at various times in the Sub-Commission.

It is, therefore, manifest that the Governments are not legally bound either by the views expressed by their respective Delegates in the Commission, or in the projects of convention of public law, or code of private law. Their hands are free, but they have before them materials of public and private international law upon and about which they may instruct their diplomatic and therefore political Delegates to the forthcoming Conference of the Americas at Habana.

I. THE SUB-COMMISSION A. FOR THE CODIFICATION OF PUBLIC INTERNATIONAL LAW

This Sub-Commission, composed at least of one, and in some cases of the two members of the Republics which were represented by a delegation of two persons, held its first meeting at 3 o'clock in the afternoon of Tuesday, the 19th of April. As its members were taking their places at the long table in one of the Committee Rooms of the Monroe Palace, in which the Senate of Brazil meets, and which was placed at the disposal of the International Commission of Jurists, the delegation of the United States proposed, on behalf of the Sub-Commission, that Mr. Pessôa, who had registered in the section of Public International Law, and who was present, be asked to assume the Presidency of the Sub-Commission, just as in the morning the Sub-Commission of Private International Law had requested Mr. Rodrigo Octavio, the other Brazilian Delegate, to preside that Sub-Commission. Mr. Pessôa yielded to the unanimous desire of his colleagues, and assumed the Chair.

Thereupon, the American delegation proposed that a committee of five persons, with the President as its Chairman, and ex-officio an additional member, be appointed by the President to examine the projects of international law, in order to determine those which might reasonably be considered and passed upon in the limited time at the disposal of the Commission, for it was understood that it would

adjourn at least before the 24th of May, at which time Messrs. Bustamante and Pessôa would be obliged to repair to Europe in order to attend the sessions of the Permanent Court of International Justice at The Hague, of which august tribunal they have the honor to be members. It was felt that a small committee could work more quietly and expeditiously than the Sub-Commission, composed of the representatives of the seventeen Republics. After discussion, the suggestion was adopted, and the President named the following members: Mr. Scott, of the United States; Mr. [Carlos] Saavedra Lamas, of Argentina; Mr. [Alejandro] Alvarez, of Chile; Mr. [Cesar] Zelaya, of Cuba; Mr. [Julio] Bastos, of Uruguay. Mr. Reeves, of the American Delegation, and Mr. [Luiz A.] Podestá-Costa, of Argentina, regularly attended the meetings of the Committee, with the permission of its President.

The American Delegation further proposed that Mr. Pessôa's Code of Public International Law, as presented to the Commission of 1912, be considered as before the present Commission; that Mr. Alvarez' projects likewise be considered as before the Commission. Mr. Pessôa assured the members that he had no desire to force his Code upon the attention of the Commission, and Mr. Alvarez finally stated that his project laid before the Conference of Santiago had been merged in those of the American Institute. The American Delegation, however, insisted, notwithstanding Mr. Alvarez' declaration, that his projects in their original form be laid before the Commission for its consideration, so as to carry out to the letter the Resolution of 1923, under which the International Commission was constituted. The Delegation also urged that Mr. Pessôa's Code should be considered by the Commission as before it, and note taken of its contents in the deliberations of the Commission. These views prevailed, and the Sub-Commission of Public International Law, taking as its basis the projects submitted by the Pan American Union, had also before it the Code of Mr. Pessôa, and the original projects of Mr. Alvarez.

The Commission thereupon adjourned, to meet at the call of the President, when the Committee of five should have projects to report for its consideration.

This Committee frequently, and indifferently, called "Special Committee," Committee of Examination" or simply, "the Committee", met regularly in the afternoons during the month in which the International Commission was in session. At its first meeting, Mr. Pessôa indicated the topics which he was inclined to believe could be profitably and adequately treated. They were for the most part those to be found in his own Code of 1912, as well as in the projects transmitted by the Pan American Union. In many instances, he expressed

himself as preferring the form of his Code to that of the projects. To this, the Committee made no objection. The result was a comparison of the drafts of 1912 and of 1924, and the amalgamation of the two in the form of separate projects which Mr. Pessôa undertook to prepare and lay before the Committee.

The consideration of some of the projects of the Pan American Union, he proposed to defer for the moment; others of the projects, he suggested should be combined and merged in a single project, so that while the final product of the Commission's work in public international law is set forth in an even dozen of projects, these fairly embody the substance of thirteen of the Pan American Union, or fourteen, if the project of extradition, transferred from public to private international law, is to be included.

It should be said, in this connection, that two of the thirty projects—those on the Pan American Union (No. 9) and aerial navigation (No. 20) were withdrawn from consideration at the request of the Pan American Union, as these subjects were being elsewhere and otherwise considered. At the request of Mr. Bustamante, the subject of extradition (No. 17) was referred to the Sub-Commission on private international law, as contained in his draft code. The original projects transmitted by the Pan American Union were thus reduced to twenty-seven. Of these twenty-seven, fourteen were adopted in whole or in part.

Mr. Pessôa had expressed the opinion at the first session of the Committee, that some of the projects should not be discussed; that others should be deferred. With the consent of the Committee, the following were laid aside: The Preamble (No. 1); the General Declarations (No. 2); Declaration of Pan American Unity and Cooperation (No. 3); Fundamental Rights of the American Republics (No. 8); National Domain (No. 10); Rights and Duties of Nations in territories in Dispute on the question of Boundaries (No. 11); Jurisdiction (No. 12); Diplomatic Protection (No. 16); Navigation of International Rivers (No. 19); Pan American Court of Justice (No. 28); Measures of Repression (No. 29); Conquest (No. 30).

It was, however, the view of the Committee that some of these might be appropriately embodied in general declarations, such as the Declaration of Pan American Unity and Cooperation; Fundamental Rights of the American Republics; and the Declaration against Conquest. These were, as a matter of fact, incorporated, with their general conceptions and juridical aspirations, in a masterly report prepared by Mr. Maurtua, of Peru, and presented in behalf of himself and Mr. [José Pedro] Varela, the majority of an informal committee appointed by the President near the close of the Commission, to draft a general declaration to precede the projects, and to explain their nature, purpose, and significance. The opposition of Mr. Al-

varez, of Chile, the third member, prevented a unanimous report; and because of the lack of unanimity, the matter was dropped.

Under these circumstances, Mr. Pessoa was requested to prepare a report as President of the Sub-Commission. He did so in a short and admirable document which is to precede the texts of the projects actually adopted.

As a summary analysis of the projects of public international law as finally adopted is essential to an understanding of the work of the Commission, each project is briefly considered:

I. The Fundamental Bases of International Law. In this project an effort is made to set forth what are usually termed the sources of international law, their mutual and relative importance and validity, the nature of international law and the character of its binding obligations, together with the relation of public international law to the municipal legal system of each of the States accepting and applying the law of nations. In this project, as in all of the others, every effort was made to state general principles only, but to state them clearly and concisely, leaving the necessary consequences to follow of themselves. It is also to be observed with reference to this, as to every other project, the Commission endeavored to declare the law, rather than to attempt to make it.

The text of the Fundamental Bases of International Law is to a considerable extent that of Project No. 4 of the Pan American Union.

II. States: Existence—Equality—Recognition. This project embodies four important, indeed fundamental principles of international law: (1) the legal equality of States; (2) the duty of non-intervention; (3) the doctrine of unconditional recognition of new States and (4) the elimination of the distinction between *de jure* and *de facto* governments fully in possession and exercising the will of the State:²³

"States are equal before the law, enjoy equal rights and have equal capacity to exercise them. The rights of each are dependent not upon the power which it possesses to ensure the exercise of them, but solely upon the fact of their existence as a person of International Law."
[Article II]

"No State may intervene in the internal affairs of another."
[Article III]

"Recognition is unconditional and irrevocable." [Article VI]

"A government is to be recognized whenever it fulfills the following conditions: (1) Effective authority with a probability of stability and consolidation, the orders of which particularly as regards taxes and military service, are accepted by the inhabitants. (2) Capacity to discharge pre-existing international obligations, to contract others, and to respect the principles established by International Law."
[Article VIII]

²³ See International Commission of Jurists, *Public International Law: Projects To Be Submitted for the Consideration of the Sixth International Conference of American States*, p. 8.

Bracketed references to articles appear on the original of the report.

This project is also to a considerable extent the embodiment of propositions contained in Projects Nos. 5, 6 and 7 of the Pan American Union.

III. Status of Aliens. The purpose of this convention is to vest in the States the right under international law to establish, by means of municipal law, the conditions under which aliens may enter and remain within their territory. It recognizes the general principle, that aliens are to be entitled to the civil, other than political rights of nationals, but that they may be expelled by any and every State for "reasons of public order or safety," notice of the expulsion to be communicated as soon as possible to the country to which the person so expelled belongs.

The convention is an amplification, with additional matter, of the principles contained in Project No. 14 of the Pan American Union, and it is, in the opinion of the American Delegates, an improvement on that Project.

IV. Treaties. This project has a double importance, in that it states general practice, and at the same time lays stress upon certain tendencies which have only recently taken definite form and effect. An example of this is to be found in the very first article, declaring expressly what can not be too well understood—that treaties are only to be made in accordance with the municipal law of the contracting States. In like manner, Article 4 is a guaranty against secret treaties.

Article 6, dealing with ratifications, assumes particular importance, in that it recognizes and approves reservations in multilateral treaties as follows: "In international conventions celebrated between different States, a reservation made by one of them in the act of ratification, affects only the clause in question and the State to which it refers."

Article 15 is either a step in advance, or a statement of the most recent theory and practice. "Obligations contracted by treaty shall be sanctioned in cases of non-compliance as when diplomatic negotiations have failed, by decision of an international Court of Justice or by an arbitral tribunal."

This disposition renders effective the Hague Conventions. In Article 16 of the Pacific Settlement Convention of the First Hague Peace Conference of 1899,²⁴ arbitration is declared to be the most equitable and efficacious means of interpreting and applying treaties and conventions, when diplomacy has failed to reach an adjustment.

In the Second Hague Peace Conference, of 1907, the forty-four Powers there represented, including all of the American Republics with the exception of Costa Rica and Honduras, declared that the interpretation and application of treaties and conventions could be submitted to obligatory arbitration without reserves of any kind.²⁵

²⁴ *Foreign Relations*, 1899, p. 521.

²⁵ See *ibid.*, 1907, pt. 2, p. 1188.

The present Article reaffirms in no uncertain terms the doctrine unanimously proclaimed by the two Hague Peace Conferences, and provides specific machinery for its realization. This article will be considered later, in a different connection.

The final Article (No. 17) provides that, "Two or more States may agree that their relations are to be governed by rules other than those established in general conventions celebrated by them with other States."

The convention on treaties is a happy combination of the provision contained in Mr. Pessôa's proposed Code of 1912, and Project 21 of the Pan American Union, with the addition of Article 15, which is not contained in either.

V. Exchange of Publications. This is peculiarly an American proposal, providing for the interchange of publications of the Americas. It is substantially Project No. 24 of the Pan American Union, and is the realization of a long-standing aspiration. It is, in fact, with slight modifications, the Convention of January 27, 1902, of the Second Pan American Conference.²⁶

VI. Interchange of Professors and Students. This is Project No. 25 of the Pan American Union and is the culmination of efforts extending over many years. It is, with trifling changes, the Resolution on the Interchange of Professors and Students, adopted by the Fourth Pan American Conference meeting in Buenos Aires in 1910.²⁷

VII. Diplomatic Agents. This project is drafted in accordance with modern theory and modern practice. Its theory is that the immunities of diplomatic agents exist solely for the purpose of facilitating and regularizing the official contacts between States. It rejects *in toto* the outworn and unacceptable theory of extraterritoriality.

In addition, it embodies, it is believed, the accepted practice of the United States and of the other American Republics. The Commission was unanimous that there should be but two classes of permanent chiefs of mission: the Minister Plenipotentiary and the Chargé d'Affaires. The Commission felt that in the Americas, the State, and not an official of the State, should be represented, and that therefore the Ambassador, representing the President, and having personal access to the President of another Republic not enjoyed as of right by the Minister Plenipotentiary, was inconsistent with the democratic conditions of the New World.

Unwilling to change the law and practice in this respect, the Commission unanimously adopted a recommendation to this effect, in the

²⁶ S. Doc. 330, 57th Cong., 1st sess., *Second International Conference of American States*, appendix EE, p. 213.

²⁷ S. Doc. 744, 61st Cong., 3d sess., *Fourth International Conference of American States*, appendix X, p. 226.

form of a *voeu* to the forthcoming Sixth Conference of the Americas, to meet in Habana.

Article 24, which deals with specific immunities, contains in clause 3 a somewhat novel suggestion, designed to meet novel but not altogether unfamiliar conditions—freedom from customs duties on objects intended for the diplomat's personal use and that of his family, in a sum total limited by the Government of the State to which he is accredited. The basis of this admirable project was No. 22 of the Pan American Union, which, in turn, with sundry provisions taken from American practice, was based upon various resolutions of the Institute of International Law. It is believed that the ultimate form of the present project is superior to any and all of its predecessors.

VIII. Consuls. This project is believed to be of unusual merit. As in the case of the project concerning diplomatic agents, that on Consuls is based upon the resolutions of the Institute of International Law and upon modern theory and practice, drawing a sharp distinction between diplomatic and consular functions, and hence in the status respectively of these two types of officials. No personal immunities are accorded to consuls who, however, are protected for the purpose of the adequate exercise of their official duties. The supremacy of municipal law over the consul is to be presumed in absence of express stipulations to the contrary.

Attention is invited to certain specific provisions:

"Consuls shall exercise the functions that the law of their State confers upon them, without prejudice to the legislation of the country in whose jurisdiction they are serving." (Article 10)

"In judicial affairs in which his compatriots are involved consuls shall have the right of interference except as expressly provided for by local legislation." (Article 11)

"The consul can not compel his compatriots by force to comply with his orders or decisions, but, in cases where this is necessary, he shall have recourse to the competent local authorities." (Article 12)

"Consuls are not obliged to appear as witnesses before the courts of the State where they exercise functions: they shall, in conformity with local legislation, give their testimony in the building of the consulate or send it in writing to the authority designated for that purpose. They shall nevertheless give it personally in a trial in criminal prosecutions when the accused are entitled to present them as witnesses for the defense.

"If the personal appearance of the consul should be indispensable the territorial government, in case of refusal, can have recourse to diplomatic measures." (Article 17)

It will not escape notice that these provisions are an express confirmation of the attitude of the United States in the well-known case of Dillon, French Consul in San Francisco.²⁸

²⁸ *In re Dillon, Consul of France*, 7 Sawyer 561 (1854); Fed. Case 3,914.

Article 22 abrogates all claims to consular asylum.

The immediate source of this project is No. 22 of the Pan American Union with modification of form rather than of substance.

IX. Maritime Neutrality. This project is based upon the enlightened practice of modern times. It is not original. Its basis is the Rights and Duties of Neutral States in Maritime Warfare, drafted by the Second Hague Peace Conference in 1907, ratified by the United States as well as by the other leading maritime powers.²⁹ It is superior to its predecessor or model, in that it takes note of the experience had in the World War, and sets forth in twenty-nine articles the law and the practice of the present day.

It was accepted by the Commission as such statement without reserve.

X. Asylum. The delegates of the United States deemed it to be their duty to interpose a general reserve to the entire project on the express ground that it was not only contrary to the long-established and well-known policy of the United States, but also, in their opinion, opposed to the generally recognized modern practice of the world at large in such matters.

As, however, it appeared that all of the countries represented in the Commission, with the exception of the United States, were desirous of recognizing the right of asylum for political refugees, as stated in the convention, the American delegates did not oppose its discussion and adoption by the Commission. Their desire was in this case as in all other ways, to advance the work of the Commission without interposing objections to the desires of the other delegations.

It is an original project of the Commission.

XI. Obligations of States in Event of Civil War. This project, also original with the Commission, undertakes to define the duty which one State owes to another with which it is at peace, with reference to civil war and insurgency within the other. It is believed that this short project of but five paragraphs summarizes the legislation and practice of the United States for more than a century. It reads like a series of extracts from the Neutrality Laws of the United States, particularly that of 1818.³⁰

XII. Pacific Settlement of International Conflicts. The purpose of this project, in form and in substance that of Pan American Union No. 27, is to gather in an ascending series into a single convention, the various forms of pacific settlement, good-offices and mediation, commissions of inquiry, conciliation and friendly composition, arbitration and judicial decision. There is little or nothing new to be found

²⁹ Adherence of the United States deposited at The Hague Nov. 27, 1909. For text of the convention, signed Oct. 18, 1907, see *Foreign Relations*, 1907, pt. 2, p. 1239.

³⁰ Approved Apr. 20, 1818; 3 Stat. 447.

in its 23 articles; whenever possible the exact language of approved texts has been used, so that there might be no doubt as to the acceptance of the project as a whole.

The articles relating to good offices, a word of advice to one or other or both of the disputants by a third and disinterested party; and mediation, similar to good offices, but bringing the process a step forward by suggesting a solution, are taken from the Pacific Settlement Convention[s] of the Hague Peace Conferences.³¹ The Commission of Inquiry is, in an abbreviated form, the so-called Gondra Convention.³² It was adopted in 1923 by the Fifth Pan American Conference of Santiago de Chile, and it has already been ratified by Brazil and the United States. It is based upon the commissions of inquiry of the Hague Peace Conferences and Secretary of State Bryan's Treaties for the Advancement of Peace.³³

The advantages of Commissions of Conciliation have been much discussed in recent years, but it is only yesterday that they have been given definite form in official conventions.

The present project adopts the method of settling disputes in a conciliatory manner, and makes of the Governing Board of the Pan American Union a permanent Commission.

Friendly composition was much used in the past, but appears to have been overlooked in recent years. It was, however, resorted to by Chile and the United States for the settlement of the Alsop Claim by the King of England acting as friendly compositor in 1911.³⁴ Its usefulness has been made manifest by the most Southern and Northern of the American Republics, and its acceptance by the Commission recognized it as an adequate method for classes of disputes where the settlement is desired to depend upon the good faith of a single person in whose good judgment and sense of equity the parties in controversy have confidence.

The project ends with a series of articles on arbitration based upon those of the Hague Conventions, and the suggestion that, in case of a desire to resort to judicial settlement of their controversies, the parties in dispute may refer their differences either to the Permanent Court of International Justice at The Hague, or "to any other court of justice which may be constituted for this purpose by the American States."

³¹ *Foreign Relations*, 1899, p. 521; *ibid.*, 1907, pt. 2, p. 1182.

³² i. e., treaty to avoid or prevent conflicts between the American states: *Foreign Relations*, 1923, vol. I, p. 308. Manuel Gondra was chairman of the delegation of Paraguay to the Fifth Conference.

³³ Bilateral treaties concluded at various times in 1913 and 1914 between the United States and 21 other countries; for texts, see *Foreign Relations*, 1914, pp. 171, 304, 331, 971, 1068, 1082; *ibid.*, 1915, pp. 30, 41, 276, 380, 551, 1275, 1279, 1283, 1290, 1307; *ibid.*, 1916, pp. 43, 46, 257, 389; *ibid.*, 1921, vol. II, p. 941.

³⁴ See *ibid.*, 1911, pp. 38 ff.

The project is, with trifling modifications, the original text of Project 27 of the Pan American Union, submitted to the various American Governments and transmitted by the Union to the International Commission of Jurists. It is to be presumed that it had been carefully considered by the Foreign Offices of the American Republics, and that they approved of it, as no amendment of a critical nature was suggested in any phase of its passage through the Committee of Five, the Subcommission on Public Law, to its final adoption by the plenary session of the Commission on May 20, 1927.

It was evidently a project in which the Governments of the Americas appear to have taken a greater interest than in that of any other of the projects transmitted to the Commission, for the Pan American Union recommended by formal resolution the Commission to give preference to the project on Pacific Settlement in case it should not have time at its disposal to consider all of the projects. The preamble to the original project as transmitted by the Pan American Union stated the purpose of the project:

"The American Republics in order to conserve the peace upon which their civilization depends, and to avert war, which menaces it, agree to have recourse for the settlement of all disputes between them, when direct negotiations have failed, to the measures regulated in the present convention."

One of these measures was arbitration, and, according to the preamble, all questions susceptible of arbitration might be submitted to an arbitral tribunal constituted by the parties, provided only diplomatic means have been tried and failed.

The Gondra Convention provided controversies between the American Republics should be submitted to American Commissions of Inquiry, composed exclusively of American members. The delegates of the United States therefore stated in the plenary session of May 6, 1927, their intention to submit a plan for an American Tribunal of Arbitration, for the adjustment of American controversies in the form of an amendment to Article 25 of the original project in order to promote arbitral settlement of international controversies in this hemisphere. In the opinion of the American Delegates the plan of the Commission of Inquiry in the Gondra Convention suggested the improved plan for arbitral settlements. In this way, controversies of which disposition could be more advantageously made by an American tribunal could be referred to a tribunal established for the purpose in accordance with the accepted principles of arbitral procedure.

The amendment which it was contemplated to submit for the consideration of the commission was to have been based upon the Convention signed at Washington, February 7, 1923, by the repre-

sentatives of five of the Latin American Republics for the establishment of a Central American Tribunal.³⁵

Project No. 27 of the Pan American Union was not reached until the closing days of the Commission, and when it was laid before the Subcommittee on Public International Law, May 19th, the day before the final adjournment, the Delegates of the United States announced that they would abstain from presenting the plan. The statement made by the American Delegation in the plenary session of May 6th, and the statement made at [next to] the final session of the Subcommittee of Public International Law, are attached hereto in the appendix to this Report, together with the memorandum prepared by the American Delegation, with a view to its being presented as an accompaniment to the contemplated plan.³⁶

II. SUBCOMMISSION B. PRIVATE INTERNATIONAL LAW

Subcommission B. was formed to consider the code of the American Institute on International Private Law, prepared by Mr. Bustamante, although he himself always referred to it as that of the Institute, and transmitted to the International Commission of Jurists by the Pan American Union.

It is believed to be unnecessary in the present connection to rehearse the various attempts, more or less successful, by which the Latin American States have sought agreement upon this important branch of law. The United States did not participate in any of the earlier conferences dealing with this subject. Among the twenty Latin-American Republics there have been serious divergences of position resulting from the acceptance by some of them of the system of domicile, and reception on the part of the others of a system based on nationality. The Code presented to the Commission for its consideration is very largely based upon the system of nationality and it was at once perceived by the American Delegates, that the projected Code would be opposed by the representatives of those States almost wholly south of the Equator which had adopted in their municipal systems the theory of domicile. The opponents of Mr. Bustamante's code, however, were not prepared to present a substitute code based upon domicile, although they did insist upon those portions of a code so based, known

³⁵ *Conference on Central American Affairs*, etc., p. 296.

³⁶ None of these documents found in Department files. Translations of the two statements (printed as annexes 1 and 2 of this report) have been supplied by the editor from the texts as printed in Ministerio de Relaciones Exteriores del Brasil, *Comisión Internacional de Jurisconsultos Americanos: Reunión de 1927* (Edición Castellana, Rio de Janeiro, Imprensa Nacional, 1927), vol. I, pp. 139-141, and vol. II, p. 354.

as the Conventions of Montevideo of 1889.³⁷ The American Delegates soon became convinced that unless the Code as prepared by Mr. Bustamante was adopted at least in substance by the Commission, all attempts at the codification of Private International Law at Rio de Janeiro would prove abortive; that thereby the Resolution of the Fifth Pan American Conference would fail of execution, and that the forthcoming Sixth Conference would fail to have before it, for its consideration, any constructive projects dealing with the subject. The Delegates of the United States therefore determined to support wherever possible, the Recommendations of the Commission by which the projected code might be transmitted to Habana. This position was set forth in a declaration made by the American Delegation on May 9th, as follows:³⁸

The delegation of the United States desires to have its vote recorded in favor of the articles reported to this Plenary Session from Sub-Commission B, and based upon the project of the Code of Private International Law, prepared by the learned and very distinguished delegate from Cuba, Mr. Bustamante.

In so recording its affirmative vote the delegation does not desire to imply that the articles for which it votes are in accordance with the laws of the various jurisdictions of the United States, forty-nine in all. As a matter of fact and as is well known the jurisprudence of the United States is based in general upon the theory of domicile, while the project of the proposed code is based largely upon the theory of nationality. The reason for this affirmative vote is that the delegation of the United States desires to further the work of codification of private international law. It desires, furthermore, to make this recognition of what it believes to be a constructive effort of very considerable value, and it desires that, by the adoption of these articles, the forthcoming Panamerican Conference at Habana may have before it, for its mature consideration, a substantial basis for the discussion of Private International Law.

In conclusion, the delegation of the United States desires to express the hope that ultimately a code of private international law may be proposed for the Americas, by which the opposing principles of the two theories of domicile and nationality may be reconciled. In this happy event it is to be hoped that the United States may be able to join with her sister republics.

The clash between the adherents of the opposing theories of domicile and nationality seems to have reached its height when Article 7 of the Preliminary Title of Mr. Bustamante's code came under discussion.

³⁷ i. e., eight treaties and an additional protocol respecting international private law, concluded at a Congress of South American States, 1888-1889. For texts in Spanish, see Congreso Sud-Americano de Derecho Internacional Privado, Montevideo, 1888-1889, *Tratados sobre Derecho Internacional Privado celebrados en el Congreso Sud-Americano de Montevideo* (Montevideo, Imp. "El Siglo Ilustrado", de Gregorio V. Mariño, 1911).

³⁸ For Spanish text of the declaration, see Ministerio de Relaciones Exteriores del Brasil, *Comisión Internacional de Jurisconsultos Americanos: Reunión de 1927*, vol. I, p. 186.

Article 7 as originally drafted was as follows: "Each contracting State shall apply to the nationals of the others the laws of an internal public order of their domicile or of their nationality, according to the system adopted by the State to which they belong." Thereupon, Mr. Bustamante withdrew Article 7 as originally proposed and, after the whole of the code had been substantially approved in the closing days of the Commission, proposed a substitute for Article 7 as follows:

Each contracting State shall apply as personal law that of the domicile or that of the nationality according to the system which its domestic legislation may have adopted or may hereafter adopt.

It is to be observed that there seems to be no substantial difference between the original and amended form, as it failed to satisfy the Delegates of the States choosing a system of domicile, who were frank in the expression of their desire to have the system adopted by them prevail universally in the Americas.

There is, however, one portion of Mr. Bustamante's code in which it is believed the United States have an immediate and direct interest—namely the title concerning extradition. In the opinion of the American Delegates, this subject should have been retained by the Subcommittee of International Public Law, using Project No. 17 of the Pan American Union as a basis of discussion collated with the draft in Mr. Bustamante's code. However, the provisions on the subject in his code seem generally to be in accord with the law of the United States and their accepted practice; but in order to reach a maximum of agreement, the Delegates of the United States suggested that extraditable offenses should not be determined on the basis of minimum punishment, but specifically listed as such in the various treaties and conventions dealing with extradition. This suggestion was adopted in Article 346.

The question of the extradition by a State of its own nationals aroused considerable discussion. In Mr. Bustamante's proposed code, Article 347 was as follows: "The contracting States are not obliged to hand over their own nationals." While the provision thus stated would leave each of the contracting parties free to adopt its own policy in this respect, it was felt that, in the interest of international justice, some obligation should be imposed upon the State refusing to do so. Therefore the following clause was added: "The nation which declines to hand over one of its own citizens must try him." Although the provision contained in Article 380, that, "In no case shall the death penalty be imposed or executed for the offense upon which the extradition is founded," appears in certain extradition treaties to which the Government of the United States is a party, the American Delegation has some doubts as to the wisdom

of its adoption of such a general policy. In their opinion, the abolition of capital punishment, if considered desirable, should be by direct enactment, rather than indirectly by treaty arrangement.

III. SUBCOMMISSION C. ON WAYS AND MEANS FOR THE WORK OF CODIFICATION

The members of this Subcommission, five in number, met toward the end of the session, under the Chairmanship of Mr. Maurtua, and submitted a report on the subject-matter with which they had been entrusted. It was a unanimous report, and unanimously approved by the Commission in plenary session, May 16th. It is in itself a summary of ways and means, and is perhaps shorter than an analysis of it would be; certainly, it is more satisfactory. Therefore, it is printed in its entirety, and without comment:

The International Commission of Jurists, having in view the necessity, demonstrated by experience, of permanently organizing the preliminary work for formulating and developing International Law in America, as well as the unification of legislation, recommends that the Sixth Pan American Conference approve the following plan:

1st. To make the International Commission of Jurists of Rio de Janeiro a permanent body, and to provide for a stated, regular session, every two years.

2nd. To organize two committees of examination, one at Rio de Janeiro and the other at Montevideo, for International Public Law and International Private Law, respectively, with the following duties:

a) To present to the various Governments a list of matters susceptible of being submitted to contractual regulation. In this list will be included, besides the matters initiated by the Committees, those which the International Commission of Jurists judges proper to indicate, on terminating each of its sessions.

b) To decide, in accordance with replies received, what matters are generally considered ripe for discussion and appropriate for legislation.

c) To submit to the various Governments the different viewpoints from which matters selected may be contemplated; to petition and obtain an indication along general lines, of the opinion of each Government.

3rd. To entrust the Executive Council of the American Institute of International Law with the duty of studying scientifically the matters referred to in the above article, with the task of drawing conclusions and presenting them with proper explanations duly supported in reports, inasmuch as they are to serve as bases of discussion by the International Commission of Jurists for the definite formulation of the ante-projects intended for Pan American Conferences.

Whenever possible, the above information shall be submitted to the deliberations of the Institute at its biennial plenary sessions.

4th. To organize in Habana an office and a committee for directing the studies of comparative legislation, and for the unification of legislation.

5th. The three above mentioned Committees are to be formed by the various Governments from the members of their respective National Societies of International Law.

They shall communicate with the various Governments and with the Executive Council of the Institute, through the Pan American Union.

6th. The Pan American Union, in so far as its By-Laws permit, shall cooperate in all the preliminary legislative work referred to in the above article.

It will be observed that the report of Subcommission C. includes that of Subcommission D. in the matter of universality of legislation.

GENERAL OBSERVATIONS ON THE LABORS OF THE COMMISSION

The Commission of Jurists was considered by all of its members as a body of experts to put into the form of articles, certain topics of international law, public as well as private; that the delegates were chosen for their supposed familiarity with one or other of these branches, and that as jurists they were not clothed with political powers. In an early plenary session of the Commission³⁹ this question was presented in an acute and concrete form. Under date of April 27th, the following telegram was sent by Mr. Pedro José Cepeda, Minister of Nicaragua in Mexico to the President of the International Commission of Jurists:

Although the opinion of the world has passed a just judgment in the case of Nicaragua, I beg you, in the name of my countrymen sacrificed in ten months of a titanic struggle, to make an express declaration which will condemn the unlawful policy of the Department of State of the United States of North America, which, inconsistent with the principles of President Wilson, does not recognize that "small nations of the world . . .⁴⁰ have the same rights as the large nations, with respect to their existence and integrity."

Nobody is more authorized than this honorable assembly to make such a vindication of international law, trampled under foot by force.

I consider it unnecessary to give the history of the conflict, but you will recall the imposition of Diaz as President of my country, against the national will and the express provisions of our Constitution. The blockade of our coasts frustrated the efforts of the legal government to give assistance to our wounded soldiers; and now the illegal use of North American marines who establish arbitrary "neutral zones" which are nothing more than zones of refuge for our defeated enemies, and places for recruiting bad citizens who compromise the liberty of the country.

³⁹ i. e., the first plenary session; see Ministerio de Relaciones Exteriores del Brasil, *Comisión Internacional de Jurisconsultos Americanos: Reunión de 1927*, vol. I, pp. 87-88.

⁴⁰ Omission indicated in the original report.

This congress, giving effect to the high principles of international justice which inspired it, will condemn these acts.

In the name of the constitutional government of Nicaragua, I send you a cordial greeting and my best wishes that the elevated views and noble endeavors of the distinguished members of this great congress may be fruitful of accord and peace for the great Continental family.

On May 6th, the President of the Commission read the foregoing telegram to the plenary session of that date, and his proposed answer in the following terms:

I acknowledge receipt of your Excellency's cablegram of the 27th ultimo. In reply, I beg to inform you that the assembly being a Commission of Jurists of an exclusively juridical character, without power, quality, or political qualifications, it is not permissible to express an opinion upon the subject contained in your cablegram. I have the honor to present to your Excellency the assurance of my high consideration.

The President's proposed answer was unanimously approved as read by him and it was immediately transmitted to its destination.

It was therefore not to be expected that political proposals or proposals with a political implication would be presented and that, if they were, they would not receive consideration. However, there were presented from time to time propositions falling under one or other of the above categories. In each case, the Commission refused to take favorable action, and contented itself with referring them to the approaching Pan American Conference at Habana, without recommendation. There are four instances which should be specially mentioned:

1) In the Subcommission, on April 30th, and at the plenary session of May 9th, the proposition originally presented by the Dominican Delegate, and in which the Mexican Delegation joined as a proposing party at the last plenary session, of May 20th, in which projects were considered.

It is thus worded: "No State may in the future directly or indirectly, nor by reason of any motive, occupy even temporarily any portion of the territory of another State. The consent given to the occupying State by the State occupied will not legitimize the occupation and the occupant will be responsible for all occurrences resulting from the occupation not only with respect to the State occupied, but to third parties as well."

2) At the same plenary session of May 9th, the Haitian Delegate presented a proposition to the effect that treaties procured by pressure or menace of armed force should be considered as intervention. He presented his proposition in the last working plenary session of the Commission of May 20th, in the following form: "Any action carried out by a State, whether by means of diplomatic pressure or by armed

force, in order to force its will upon that of the other State, constitutes intervention."

3) The Argentine Delegation had already proposed in the same plenary session of May 9th, to add, "or external" to the following text unanimously adopted by the Subcommittee of Public International Law: "A State may not intervene in the internal affairs [nor in the external affairs] ⁴¹ of another State."

In this condition of affairs, Mr. Reeves, on behalf of the American Delegation made the following statement: ⁴²

I desire to make an observation concerning the amendments to Article 3 [Project No. 2] ⁴¹ suggested by the delegates of Haiti and Santo Domingo.

The third article has been carefully expressed in general terms. If, however, it is determined to depart from the general theory of this project by introducing various details and particular cases, I shall be obliged to call attention to two exceptions to the general rule: 1st, on grounds of humanity; 2nd, in self-defense. I do not desire to seem unmindful of the legal basis upon which the United States, on grounds of humanity intervened to stop a régime of inhumanity in Cuba, as a result of which Cuba was freed. But I hope that this will not be necessary because of the recognition and acceptance of the general principles of Projects 1 and 2, and that in the future there will be no opportunity for the recognition of these exceptions.

The whole matter was referred back to the Subcommittee for consideration—the Delegation of the United States abstaining from the vote.

4) A proposal of a somewhat similar nature by the Paraguayan Delegate is as follows: "Intervention or any act of a State within the territory of another State without a previous declaration of war, with the intent to decide by force, material pressure, or moral coercion, internal or external questions of the other State, will be considered as a violation of international law."

The American delegation under these circumstances repeated on May 20th the formal statement made in the plenary session of May 9th, whereupon the following action was taken by the Commission in the plenary session of May 20th, the last, as has already been remarked, in which it considered projects, as appears from the official report presented by Mr. Pessoa in behalf of the Commission: ⁴³

The Commission of jurists understood with regard to these propositions [seven had been presented] ⁴¹ that some of them did not have

⁴¹ Brackets appear in the original report.

⁴² For Spanish text, see Ministerio de Relaciones Exteriores del Brasil, *Comisión Internacional de Jurisconsultos Americanos*: Reunión de 1927, vol. I, p. 164.

⁴³ See Ministerio de Relaciones Exteriores del Brasil, *Comisión Internacional de Jurisconsultos Americanos*: Reunión de 1927, vol. I, p. 261.

that degree of maturity necessary for incorporation in the codification, and others, being drafted in the terms in which they were, might be considered as manifestations of a means of obtaining the Commission's views regarding pending American political questions. For this reason the Commission decided to transmit and to submit some of them for the consideration of the Sixth International Conference to meet in 1928 in the city of Habana.

There are two articles in the project on treaties, which should be considered in this connection. There had been at various times proposals to exclude intervention even with the consent of the States involved.

The American delegation took the position that no such act arising out of the consent of a State could be considered as an act of intervention properly so called and in the sense of Article 3 of the Project No. 2 on States, and that, furthermore, any such attempt would be an unacceptable limitation of the State's sovereignty.

That this view prevailed appears from Article 17 of the project on Treaties, providing in express terms that, "Two or more States may agree that their relations are to be governed by rules other than those established in general conventions celebrated by them with other States."

There is a further example of an Article, although expressed in general terms, which was considered to have a political implication. The Chilean Delegate took exception to Article 15 of the project on Treaties as submitted by the President to the Commission. It was as follows: "If one of the States [parties to a treaty]⁴⁴ fails wholly or in any respect to fulfill the obligation which it has contracted, the other can exact the fulfillment or consider the treaty as abrogated." The Peruvian Delegation made no objection to the article as drafted by the President, but, upon the insistence of the Chilean Delegate, the Commission struck out the article, the American Delegation expressing the hope that a substitute might be drafted which would satisfy the opposing views of the Delegates in question. This hope was realized, for in the last plenary session and as the last act, the following substitute, drafted by the Peruvian Delegation, was unanimously adopted: "Obligations contracted by treaty shall be sanctioned in cases of non-compliance as when diplomatic negotiations have failed, by decision of an international Court of Justice or by an arbitral tribunal."

A source of difficulty which has already been mentioned in passing deserves to be dealt with in some detail. Each of the twenty-one American Republics was invited by the Resolution of Santiago de Chile, creating the International Commission of Jurists, to appoint two delegates, no doubt in the belief that in this way a specialist

⁴⁴ Brackets appear in the original report.

in each of two branches of international science would attend and participate in the labors of the Commission. In the event four or five of the Central American Republics were not represented, and of the seventeen Republics sending delegates, eight sent but one delegate each. This made it necessary for the single delegate to attend the sessions of both Subcommissions and, on this account, the remaining nine States each having two delegates were generally represented in both Subcommissions by their two delegates. To accommodate the eight States, each with one single delegate, the Subcommissions were obliged to meet at different hours—an arrangement which hampered the work of the Subcommission on Public International Law, as, meeting in the afternoons, it was obliged to give way to the meetings of the Committee of this Subcommission, for the plenary sessions, as well as for certain social duties. Considering the encroachments thus effected, the work of the Commission in the field of International Public Law in agreeing upon a dozen conventions may properly be held to be an eminently satisfactory achievement. On the other hand, the Subcommission on Private International Law was enabled to devote on an average, three hours in the morning of each day, with scarcely an interruption throughout the five weeks of the Conference. This arrangement was not satisfactory to the American Delegation, but it was impossible to secure any material modification of it.

The difficulties due to diversity in language have been evident in all international conferences. It is well known that the American Conferences have four official languages: Spanish, Portuguese, French and English. However, at formal Conferences arrangements are usually made for rapid and accurate translation of the proceedings as they occur for such members of the Conference as may, for one reason or another, request it. In the case of a Commission such as the one under consideration, where discussion and debate were informal and technical in nature, continuous translation would have greatly interrupted the course of proceedings and materially curtailed the exchange of views and limited its results. In the Subcommission of Private International Law the basic text used was Spanish, although the projected code of private international law was furnished to each government and its representatives in each of the four official languages of the Americas. The projects on public international law were likewise transmitted by the Pan American Union in the four languages, but in the various sections dealing with public law the President used Portuguese, drafted the projects in Portuguese, and distributed them to the members in Portuguese. In view of these facts the American delegation suggested that, while the four languages were equally official, in case of doubt or disagreement as

to the meaning of a project, the language of the Capital in which the Commission was sitting should be accepted as authoritative. Courtesy as well as expediency suggested this, in the opinion of the Delegates of the United States. The delegations which expressed themselves as in accord with the American view were Argentina, Bolivia, Brazil, Colombia and Peru. The result is four different versions which, if the experience of international conferences is to be enlightening, will disclose not unimportant divergences in meaning, with the requirement of a knowledge of the four languages on the part of those who use them, and a minute scrutiny of each version.

With these difficulties out of the way, the reasons for the success of the Commission should be mentioned. The element which made for success more than any other, and indeed all others, was the desire of success constantly expressed by the Brazilian Government through its sympathetic, courteous and broadminded Minister of Foreign Affairs, Mr. Octavio Mangabeira, from the opening session to his farewell banquet to the Delegates, with which it closed. The Commission was thus surrounded with a congenial atmosphere proceeding from his evidently sincere desire and ambition that the meeting should justify the Americas in choosing the Capital of Brazil as the seat of the Commission's deliberations. The hospitalities, official and private, tendered to the members of the Commission were many and varied. They brought the delegates together and enabled them in an atmosphere of friendly informality to learn each other's views and to appreciate those qualities of grace and courtesy which are sometimes missing from official discussions. The American Delegates could not fail to notice, what they were pleased to consider an implied compliment to their country, in having the Commission meet in the Monroe Palace, the official seat of the Brazilian Senate, where everything tended to the comfort and convenience of the Commission and its members.

The Delegates of the United States believe themselves justified in calling attention to another element making for success. The careful and satisfactory preparation in advance of the Commission, due in large part to private initiative. The American Institute of International Law, composed of five publicists of each of the twenty-one American Republics, and of which the American Delegates are themselves members, prepared at the request of the Pan American Union the series of Projects of Public International Law and the projected Code on the Conflict of Laws, which were transmitted by the Governing Board of the Pan American Union a year or more in advance of the meeting to the governments of the Americas for their consideration. This was made possible by the munificence and far-sighted generosity of the Carnegie Endowment for International Peace,

which enabled the American Institute to hold its sessions and to prepare both the projects and code, and which bore the entire expense of the printing and the distribution of the preparatory work accomplished by the American Institute of International Law and in the form in which it was laid before the Commission by the Pan American Union.

The services of the American Institute were formally recognized by the Commission of Jurists in plenary session by a vote of thanks⁴⁶ and, in an even more substantial way, by a resolution submitted by Subcommission C on the ways and means of continuing the work of the International Commission.⁴⁷ The report of the Subcommission was unanimous; the approval of the plenary session of the Commission, and the tribute were therefore unanimous.

At half-past four o'clock on the afternoon of Friday, the 20th of May, the International Commission of Jurists held its last and closing session.⁴⁸ Its distinguished President, Mr. Epitacio Pessôa, in the remarks with which he opened the closing session, stated its success in unequivocal terms and looked forward to a closer and more intimate association of the Americas in the future.

"It is my desire," he began, "that in this final session all those who are interested in the codification of international law in America may find an enumeration, at least a simple enumeration, of the work accomplished.

"The Commission of Jurists prepared a general convention of International private law and, in addition, twelve projects of International public law, having to do with the following subjects:

"Fundamental bases of international law; States—existence, equality, recognition; status of aliens; treaties; exchange of publications; interchange of professors and students; diplomatic agents; consuls; maritime neutrality; asylum; and the pacific settlement of international conflicts.

"As the Commission will see, our efforts were not unproductive; to the contrary, they give great promise for fruit from our labor. A general convention of international private law and the twelve projects regarding the important points of international public law—here you have that which the Commission of Jurists was able to accomplish in this second session, in the short space of one month during which it met."

⁴⁶ Spanish text in Ministerio de Relaciones Exteriores del Brasil, *Comisión Internacional de Jurisconsultos Americanos*: Reunión de 1927, vol. I, p. 235.

⁴⁷ *Ante*, p. 393.

⁴⁸ For a stenographic report, in Spanish, of the closing session, containing the remarks of Messrs. Pessôa, Melo, Ortiz, and Mangabeira, referred to and quoted in the following pages of Dr. Brown Scott's report, see Ministerio de Relaciones Exteriores del Brasil, *Comisión Internacional de Jurisconsultos Americanos*: Reunión de 1927, vol. I, pp. 265 ff.

And of the future, he ventured to express the hope "that shortly we may be able to reunite the Americas in a vast and majestic confederation of interests, of aspirations and of common ideals, in the midst of which all States, be they grand or small, may tranquilly live, prosper and progress in an ambient of true independence, of justice and of liberty."

After the applause with which his address was greeted, Dr. Leopoldo Melo, of Argentina, Member of the American Institute, President of the Argentine Society of International Law, and nominee of the Presidency of Argentina by one of the political parties of that great and progressive nation, was called upon to voice the appreciation of his fellow delegates. From Dr. Melo's carefully prepared address the American Delegates believe that at least a few paragraphs of his calm and measured pronouncement should find a place in their official report. They have ventured to select the following extracts as showing how a statesman of the most southern of American Republics speaking under a sense of political responsibility, as well as principle, views the Commission and its labors:

[Here follow extracts from Mr. Melo's address.]

Mr. Melo's address was immediately followed by that of Mr. Garcia Ortiz, principal Delegate of Colombia and its Minister Plenipotentiary to Brazil. The American delegates deem it important to add, in this connection, that he was Minister of Foreign Affairs of his country at the time when the treaty between Colombia and the United States, signed in 1914 but only ratified in 1922,^{48a} reestablished those intimate, friendly and confidential relations which should always exist between members of the great American Family of Nations.

His address, of which but a few phrases may be quoted, made a most pleasing appeal to his fellow delegates, and to the country in which they had labored unceasingly for the codification of international law, public and private, for the Americas.

[Here follow quotations from Mr. Ortiz' address.]

The Minister of Foreign Affairs, who had appeared and graciously consented to preside at the session, arose—in what is always an impressive and solemn moment in international gatherings—to close the Commission. His few words, spoken in behalf of the United States of Brazil, which he has the honor to represent in its foreign relations, were instinct with regard for the Delegations, with respect for the countries which they represented, and with appreciation for the labors of the Commission, which he was to adjourn *sine die*.

"In closing the second session of the International Commission of American Jurists, I am pleased," he said, "to declare publicly to you all the approval which the Government of Brazil desired to be the

^{48a} See *Foreign Relations*, 1922, vol. 1, pp. 974 ff.

first to voice, and to express the gratitude of America for the most important services which you have just rendered. The Government of Brazil congratulates itself for having convoked this assembly which in adjourning today is, however, not dissolved without having deserved the benedictions of the friends of peace and of justice. Carry away and transmit, gentlemen, to the nations of which you are the representatives, to their peoples and their governments, the assurances of respect and of loyal friendship of the people and government of Brazil. May my last words be in honor of America, the last which shall echo and reecho in these halls and in this beautiful manifestation of continental fraternity. To America! To its moral progress, to its increasing economic prosperity, to its political greatness. To America! To America, happy, industrious, pacific! To America, that it may the better contribute to the advancement of humanity."

On the evening of Saturday, May 21st, the Minister of Foreign Affairs offered, on behalf of the Government of Brazil, a banquet to the Delegates and the ladies accompanying them. In the course of the evening he took advantage of the occasion to express in gracious and generous terms, vibrating with an emotion which he did not attempt to conceal, the feelings of regret and appreciation with which he and his government took leave of their departing guests.

[Here follow extracts from Mr. Mangabeira's remarks.]

It is customary in strictly official banquets offered by the Government of Brazil to have the Presiding Officer toast the guests, and to request one of them to respond with a toast to the President of the Republic. On this occasion, the Minister of Foreign Affairs honored the American Delegation with the request that Mr. Scott propose, on behalf of his colleagues, the toast to the President. He did so in a few remarks, which he deemed appropriate to the occasion, thanking the Brazilian hosts for their hospitality and courtesy, for which he ventured to coin the expressions, Brazilian hospitality and Brazilian courtesy, voicing appreciation of the attentions lavished upon them by the Minister of Foreign Affairs, who, laying aside his official duties, had anticipated the desires of his guests and satisfied their most exacting requirements. And he ended by declaring that the codification of the law of nations and of the conflict of laws had ceased to be a dream, because of its realization by the Commission in the incomparable capital of Brazil.

With those expressions of gratitude, of appreciation, and of a purpose accomplished, the International Commission of Jurists passed into history.

What were the aims and purposes of the International Commission of Jurists, which sat in Rio de Janeiro for the short space of a month? What were the immediate, and what the implied results of their de-

liberations? They have been stated in a masterly manner by Mr. Maurtua, the Delegate of Peru, in a statement which is at once the envy and the despair of the American Delegates. Therefore, they asked Mr. Maurtua's permission to include it in their official report to their Government. The permission was at once and graciously granted, in plenary session.⁴⁹ The statement therefore follows in full.

"The International Commission of Jurists has been in session for a month, in order to accomplish the mission confided to it by the Pan American Conferences. The result of its deliberations consists in twelve draft conventions of public international law, a general convention of private international law, and a plan of organization for the permanent and continuous workings of American legislation.

"This result should still be viewed as an attempt to formulate the law destined to regulate inter-American relations. Their complexity, both in public and in private law, the supreme importance of many of the legal relations regulated in the drafts, the difficulties, some of them hitherto insuperable, in adopting uniform rules or in developing certain essential but vaguely enunciated principles, show that what has now been realized is but the first stage, subject to correction, in an undefined journey which is to be continued as time goes on. The significance of the work done, then, lies not so much in its content as in what it reveals of the possibility of formulating law in America, and of the exigencies of this great undertaking in the future.

"This attempt of American jurists is the first one in the world brought into an organic form by the mandate of the Governments of a Continent. The first need, therefore, was that of determining the program and methods to be followed, or the procedure conducive to determining the subjects suitable for enactment, or the content itself of the task, and the mode or modes of dealing with them in order to reach satisfactory conclusions.

"In dealing with the preparation of international conventions, we must constantly bear in mind the conditions controlling the States in their acceptance of obligations with regard to each subject of international law. Indeed, what makes each subject possible for legislation is the certainty of such conditions and of their scope and limits. Such is the prime fundamental basis which those who prepare codification in America in the future are to build upon.

"But this governmental element which, in brief, is a fact or an empirical point of legislation, is not sufficient. In order that this work may acquire the excellence, the lofty spirit and the nobility proper for international legislation in a group of young idealistic

⁴⁹ The minutes of the fourth plenary session, May 20, 1927, contain a statement by Mr. Maurtua in which he expresses appreciation for the generous spirit of the United States Delegation in offering to include in its report the statement prepared by him; Mr. Alvarez, the Chilean Delegate, then observes that the "statement [*preámbulo*] is to be inserted in the report of the Delegation of the United States and not in the minutes of the Conference"; and the President of the Conference, Mr. Pessoa, closes the discussion of this subject by stating that Mr. Scott has "permission to include the statement [*proposición*] of the Delegate of Peru, in the report which the American Delegation will submit to its Government." See Ministerio de Relaciones Exteriores del Brasil, *Comisión Internacional de Jurisconsultos Americanos*: Reunión de 1927, vol. I, p. 263.

nations like ours, which are aspiring to constitute on the continent an exceptional region of justice, liberty and human welfare, it is indispensable that the actual desire of the States, as the synthesis of circumstantial or transitory national interests, be explained or clarified at times, corrected at other times, and given in all cases, so far as possible, the directions which are most generous and most consistent with the conclusions of the international science as the exponent of the most select thought and highest rectitude among men. Such is the second constitutional basis for the elaboration of American legislative work.

"These two bases have been laid down in the program which the Commission of Jurists is presenting to the consideration of the Governments and of the approaching Sixth Pan American Conference.

"Because they have not hitherto existed, the International Commission of Jurists has on some occasions hesitated, and on others met serious inconveniences in reducing to concrete contractual formulas given principles necessary in international life.

"The main inconveniences have arisen out of the difficulties inherent in distinguishing between pure law and law with political tendencies calculated to bear an influence on existing questions in controversy between American Republics. Those difficulties have often been insuperable and have prejudiced, contrary to the desire of the International Commission of Jurists itself, the sincere and frank expression of great principles of law in all phases of their application.

"In international conferences in Europe and America, the problem of eliminating the influence of political questions has not been difficult to solve because everything was limited to dealing with subjects not connected with questions pending between the States. But those who are engaged in formulating international law by taking up its entire content and beginning with its fundamentals, would not be able to subtract from the law its inevitable, political content, without ignoring certain essential principles. Such an omission would be inexcusable in the framework of international legislation, and it would, in itself, carry an admission of the political questions actuating their omission. In this way, we should have in the defect precisely what was sought to be avoided, at the cost of the very substance of all legal regulation. This, as is seen, is a field sown with obstacles, and one which the International Commission of Jurists has had to tread with consummate prudence.

"Positive law, in general, takes its root in the conceptions of natural reason and the human sentiment of justice. If it is to be a law worthy of civilization, those elements should never be ignored; nor should they be offended in any case; nor is it to be permitted that its provisions should fail to be inspired by them in the greatest possible degree. But positive law is not, domestically or externally, nor can it be at any given moment, the natural law or the finished expression of justice. This—justice—is a progressive and perennial, but not precipitant realization by the positive law, which in every stage of its formulation is nevertheless subordinated to the complexity of human life, involving the consideration and comparative control of factors of different kinds and, *inter alia*, that of strong national interests which yield only gradually to its influence, but fortunately yielding more and more.

"In this way is sketched the explanation of how the American jurists, through the possible formulas adopted in the draft projects, accept and proclaim in all their amplitude the rights and duties of nations in their purest and noblest meaning within the full radius of action necessary for them as a reality in American life.

"The human person within organized societies, and the States within the Society of Nations, have only one law. The law of persons springs from the individual conscience. The law of nations springs also from their consciousness of nationality. They are different aspects of human life and different areas of application of a single law which has for its end justice, secure and harmonious contacts, and reciprocal cooperation, assuring general welfare.

"Nations, like persons, have the right to exist and to preserve their existence. This right, like others, cannot be exercised absolutely as it would be injuring in its name the very right to life and self-preservation of innocent nations. Such a limitation is absolute and essential, but it is of a kind different from that of the salutary limitation of the right of independence.

"Independence is the affirmation of the legal personality of nations. Its concept and function in the life of States is irreconcilable with any control in its internal or external affairs intended to be imposed upon them by any method of coercion by a foreign will. Any nation invested with a right by international law can demand that it be respected and protected by all other nations because right and duty are correlative, it being incumbent upon all to respect the right of each. This is the necessary equality in law and in capacity to exercise the faculties which spring from sovereignty and independence. But that independence is not absolute. It is governed by the justice and cooperation necessary in the legal community of nations.

"In America cooperation finds special circumstances. The American nations hold common political ideals, and their history and geography have created between them for a century, commercial, social and spiritual bonds of a kind not different but closer than with the rest of the world. Since the revolution of independence a current of friendship and fraternity has been flowing over the continent, passing boundaries in good fortune and in bad. This situation would nevertheless not be sufficient to produce a well-defined obligation of cooperation if those circumstances did not create, as they have done, a state of things in virtue of which the welfare of each American State, in its democratic régime and in its external position, affects all States, as they do affect them. There is the root of the foundation of the American cooperation which imposes various and important duties, and which ought to be organized in forms in which the life of a continent can be expressed as a whole, without exceeding respect for internal sovereignty and external independence of States. The initial organization is constituted now by the continental conferences, the Pan American Union, and the International Commission of Jurists. There is, besides, a series of organs for limited functions of continental cooperation. All this comparatively incipient organization requires progressive, gradual development, parallel with the growth of the spirit of solidarity and with the ever louder and clearer affirmation of the American legal consciousness.

"The duties derived from the law of cooperation do not have, nor can they have, a contractual character, nor can they be executory in law. But they are none the less necessary in the common life of our Republics. They pertain, properly speaking, to the high-minded and moral manner in which the rights are to be exercised. Sovereignty, which is the internal phase of independence, implies the duty of sincerely maintaining democratic and republican forms, in order to insure stable order and a régime of guaranties for all the inhabitants of the territory. The historical destiny of America, in being built up by the efforts of all men of the earth who are seeking liberty, work and happiness, demands of each Republic the special duty of realizing that destiny within itself. Independence, which is the external phase of sovereignty, implies in its turn the duty of not withholding its aid in all the works of continental coordination.

"The rights and duties which are expressed would not be sufficient to assure legal tranquility and peace on the continent. These are to repose upon inviolability of the territory of the American Republics, upon respect for obligations of treaties freely negotiated and accepted, and on the régime of international justice to give the necessary sanction, with the exclusion of force, to all the essential rights of nations. American law must be founded on the reciprocal guaranty of territorial integrity. Every future act of conquest should be condemned. Neither war, nor the threat of war, nor the presence of armed force, constitutes a legitimate mode of acquiring territory. In the wake of acquisitions effected by such means, there would arise incurable insecurity.

"The history of America is free from the stain of popular hatreds and rivalries among its nations. The territory of any one of them exceeds its immediate needs and will exceed for many generations its possibility of assimilation or of utilization. The development of the unlimited riches embraced within each Republic is a work of great enterprise, destined to absorb all its energy and activity. Consequently, there is nothing which could explain any aggression whatever prompted by malign covetousness of foreign territory. For more than a hundred years America has lived with its powerful right of extra-continental territorial integrity. It will continue so to live, with this same strong right as now affirmed by the voices of each and all of the constituent Republics, because they possess the consciousness of their own destiny and capacity for their responsibilities. Moreover, it will be governed in the future by the powerful law of inter-American territorial integrity. The relations of the American Republics in this field being established among themselves and with the rest of the world, they will be inspired by the strongest desire for harmony, equity and justice, and in practice will conduct themselves in foreign affairs and diplomacy under the domination of truth and the most salutary influences of public opinion.

"The enumerated principles are summed up in the following large and solid legal bases: independence, realization of common political ideals, territorial integrity, régime of international justice in place of force, non-intervention, equality and cooperation. Such are the advanced aims for American legislation. They are all contained as principles in the draft projects of public international law. Their regulation or their development, in their various modalities, is not a

work that can be realized at any one time, nor at a given moment. It is a work of legal evolution. Nor is it an exclusive function of official jurists called to present formulas susceptible of immediate realization. On the basis of those principles the Governments themselves, through the medium of their diplomatic representatives, are the ones who should, in the legislative sessions of the Pan American Conferences, trace out the regulations and developments compatible with the state of inter-American relations, with the exigencies of policy, with national interests, with all the factors, in sum, which make up the complexity of practical international life, which is always for civilized nations a compromise between what *ought to be* and what *is*, or between the ideal of law and of justice and the human reality which is relative justice and imperfect law influenced by the interests of the States.

"In private international law this same situation has in a certain manner presented itself to the International Commission of Jurists. The two doctrines of the laws of nationality and domicile for governing personal relations are embodied in the legislation of different American Republics. Each one of the groups considers its system as a fact of transcendent public order affecting its social, economic, and political constitution. There is no way for the present of settling upon one uniform law.

"In this matter, therefore, the same as in public law, a compromise with reality has been unavoidable. The Republics will continue to apply as the personal law, what their domestic system prescribes. Happily, that does not imply an impossibility of regulating private international law in a vast field of legal relations which are not affected by the applications of personal law. Neither does it imply the necessity nor the convenience of renewing partial or sub-regional concerts on the continent founded upon the system of the two laws adopted for personal relations. Quite the contrary: the common interest consists in keeping the work within the Pan American concert until reaching, by a continuous effort of reciprocal penetration, the solution of the divergence in a system of legislative uniformity.

"All America should be viewed legally as a single field in which the relations of individuals and of States are in play. The rivalry of national laws should be settled by the selection of the most adequate, in justice, for the relations to be dealt with. Relations between States are also contests of laws and sovereignties which should be regulated by laws superior to the individual sovereignties which are the most adequate, because the most just, to insure peaceful coexistence and the welfare of all the members of the American international system. Here we have the integral concept of American law. Its analytical formulas will be a 'continuous creation.'"

The Delegates of the United States have avoided the mention of personalities in the text of the report, in so far as this was possible, believing that it would be invidious on their part to mention the names of some Delegates, when all had contributed in various ways to the labors of the Commission.

They feel, however, that they are unable to conclude their report without referring to the unfailing kindness, courtesy and helpfulness

of the American Ambassador to Brazil, the Honorable Edwin V. Morgan. Throughout the entire session of the Commission, he placed himself at their disposal, and gave them the benefit of his large experience, to such an extent that they deem it their duty to put on record a statement of their appreciation and indebtedness, to which they can not give adequate expression.

Respectfully submitted,

JAMES BROWN SCOTT
JESSE S. REEVES

HENRY M. CAMPBELL, Jr.

*Secretary to the Delegation
of the United States of America*

[Annex 1—Translation]

*Statement Made in the Plenary Session of May 6, 1927, by Dr. James Brown Scott of the American Delegation*⁹⁰

MR. PRESIDENT: The delegation of the United States has the honor to request Your Excellency to bring to the attention of the members of the Commission this communication, which the American delegation will submit in the form of an amendment when the said Commission enters on the discussion of project No. 27, of the Projects of Convention prepared at the request, on January 2, 1924, of the Governing Board of the Pan American Union to be submitted for the consideration of the International Commission of Jurists and submitted by the American Institute of International Law to the Governing Board of the Pan American Union, March 2, 1925.

The project which the Delegation of the United States will submit for the kindly consideration of the Subcommission on Public International Law contemplates the establishment of a Permanent Inter-American Arbitration Tribunal which would be able to guarantee effectively the rights of the American Republics and to maintain unalterably peace and harmony in their reciprocal relations without obliging them to resort in any case to armed force.

The justification for the undertaking to resort to arbitration, which we shall have the honor to bring to the attention of the Subcommission, is found quite admirably expressed in the preamble of the Convention for the Establishment of a Central American Tribunal, signed February 7, 1923, in the preparation of which former Secretary of State Hughes took an active part. The following is the text of the engagement as found in the first article of the said Central American Convention.

"The Contracting Parties agree to submit to the International Tribunal established by the present Convention all controversies or ques-

⁹⁰ See footnote 36, p. 390.

tions which now exist between them or which may hereafter arise, whatever their nature or origin, in the event that they have failed to reach an understanding through diplomatic channels, or have not accepted some other form of arbitration, or have not agreed to submit said questions or controversies to the decision of another tribunal.

"Nevertheless, the questions or controversies which affect the sovereign and independent existence of any of the signatory Republics cannot be the object of arbitration or complaint."

There is no need to emphasize the importance of such a proposal, the acceptance of which would guarantee for all time both the territorial integrity and the political independence of each of the American Republics, and which would maintain peace between them.

The proposal, which the American delegation will present in due time, is not only in conformity with the aspirations and the best traditions of North America, but also of each of the Latin American Republics.

If the proposal be eventually adopted with such modifications as may be judged necessary, all violations of international law as well as all violations of the rights and duties of the Republics will be submitted to arbitration. We feel quite certain that the project which we will submit to the Commission is inspired by our common aspirations and that it will make an irresistible appeal to the juridical conscience of the continent.

[Annex 2—Translation]

*Statement Made Before the Subcommittee of Public International Law, May 19, 1927, by Dr. James Brown Scott of the American Delegation*⁵¹

MR. PRESIDENT: In the name of the Delegation of the United States, I wish to make the following statement: It was our proposal to present for the kind consideration of the International Commission of American Jurists a most liberal project, and we reserved the right to prepare this in the form of an amendment to the project relative to pacific settlement by means of arbitration. But owing to the difficulty of submitting to the Commission questions which require a definite solution, we have resolved not to present it here and now. As the problem of establishing an American tribunal of arbitration is difficult and laborious, not possible of definitive discussion and solution in an assembly such as this, comprised exclusively of jurists, we have believed that we ought to abandon the attempt to modify, in any way, the method which now exists, leaving for a more favorable future occasion the discussion of these questions by delegates provided with political powers.

⁵¹ See footnote 36, p. 390.

REPLY BY THE DEPARTMENT OF STATE TO QUESTIONNAIRES ON
INTERNATIONAL LAW SUBMITTED BY THE LEAGUE OF NATIONS ^a

500.C1196/23

The British Ambassador (Howard) to the Secretary of State

No. 489

MANCHESTER, MASS., August 17, 1927.

[Received August 19.]

SIR: The Committee of Experts for the Progressive Codification of International Law set up by the League of Nations has communicated to the Council of the League a report in which it is stated that the Committee have decided to include in its list of subjects, the regulation of which by international agreement would in their opinion be desirable, the following questions:—

“Is it desirable to revise the classification of diplomatic agents made by the Congresses of Vienna and Aix-la-Chapelle? In the affirmative case, to what extent should the existing classes of diplomatic agents be amalgamated, and should each State be recognised to have the right, in so far as existing differences of class remain, to determine at its discretion in what class its agents are to be ranked?”

To this report is attached a report by a sub-committee proposing that Ambassadors, Legates or Nuncios should be included in the same class and designation with Envoys and Ministers Plenipotentiary, and that as the substitution of the term “Public Minister” or “Minister Plenipotentiary” might appear to be somewhat derogatory to existing Ambassadors, it would be desirable that the title Ambassador should be used to designate the representatives of the first three categories of the Regulation of Vienna as completed by the Aix-la-Chapelle Protocol.

It is understood that a copy of this report (C.203.M.77.1927.V) has been communicated to the Government of the United States.

In a letter marked C.L.57.1927.V, dated the 7th June, the Secretary General of the League enquired *inter alia* whether His Majesty's Government in Great Britain consider the revision of the classification of diplomatic agents desirable.

I have the honour, under instructions from His Majesty's Principal Secretary of State for Foreign Affairs, to inform you that the Secretary General of the League of Nations has been informed that His Majesty's Government do not consider it desirable that the present classification of diplomatic agents should be revised. In informing you of the view taken by His Majesty's Government in Great Britain, I am to state that Sir Austen Chamberlain believes that the view of the Government of the United States will coincide with that of His Majesty's Government and that they will send to Sir Eric Drummond a similar reply to his enquiry.

I have [etc.]

ESME HOWARD

^a For reply to earlier questionnaires, see *Foreign Relations*, 1926, vol. I, p. 555.

500.C1196/26

The Secretary of State to the British Ambassador (Howard)

WASHINGTON, December 16, 1927.

EXCELLENCY: I have the honor to refer to Your Excellency's note of August 17, 1927, in which you state that His Majesty's Government has informed the Secretary General of the League of Nations, in reply to his communication of June 7, 1927, which was addressed to various governments including His Majesty's Government and the Government of the United States, that His Majesty's Government do not consider it desirable that the classification of diplomatic agents adopted by the Congresses of Vienna and Aix-la-Chapelle should be revised. Your inquiry of November 29, 1927,⁵³ on the same subject has been received.

In reply I take pleasure in informing you that my Government concurs in the view of His Majesty's Government that the present classification of diplomatic agents should not be revised. The Secretary General of the League of Nations will be informed accordingly in the reply of my Government to his communication of June 7, 1927.

Accept [etc.]

FRANK B. KELLOGG

500.C1196/21 : Telegram

The Secretary of State to the Minister in Switzerland (Wilson)

WASHINGTON, December 16, 1927—5 p. m.

99. Please transmit to the Secretary General of the League of Nations in the usual manner before December 31, the following communication:

The Secretary General of the League of Nations with a communication dated June 7, 1927, was good enough to transmit to the Secretary of State of the United States certain questionnaires and reports prepared by the Committee of Experts for the Progressive Codification of International Law⁵⁴ and to request the opinion of the Government of the United States as to whether the regulation by international agreement of the subjects treated in the questionnaires, having regard both to their general aspects and the specific points

⁵³ Not printed.

⁵⁴ Communication not printed. For texts of the four questionnaires, see League of Nations, *Committee of Experts for the Progressive Codification of International Law*: Questionnaires adopted by the Committee at its Third Session, held March–April 1927: (8) Communication of Judicial and Extra-Judicial Acts in Penal Matters and Letters Rogatory in Penal Matters (C.201.M.75.1927.V—C.P.D.I.99-2); (9) Legal Position and Functions of Consuls (C.202.M.76.1927.V—C.P.D.I.100-2); (10) Revision of the Classification of Diplomatic Agents (C.203.M.77.1927.V—C.P.D.I.101-2); (11) Competence of the Courts in Regard to Foreign States (C.204.M.78.1927.V—C.P.D.I.102-2). There was also transmitted with this communication a report of the Committee entitled "The Most-Favored-Nation Clause" (C.205.M.79.1927.V—C.P.D.I.97-1).

mentioned in the questionnaires, is desirable and realizable in the near future.

QUESTION No. 8. With respect to the amended draft convention on this subject submitted with the report of the sub-committee of the Committee of Experts, it may be stated that the taking of testimony relating to criminal cases in foreign countries by the use of letters rogatory, with which Article I of the amended draft deals, is a process for which no provision has been made by the legislation of the Federal Government and one which under the system prevailing in the United States can be employed, if at all, only pursuant to the laws of the several states. It is not deemed advisable to make commitments by international convention to change the existing practice in this regard prevailing in the United States. Moreover, evidence obtained in foreign countries through letters rogatory could not be used in criminal cases in the United States, since under the Constitution the accused must be confronted by the witnesses against him.

With respect to the second Article of the revised draft it may be stated that the Government of the United States is not prepared to commit itself to serve summonses emanating with foreign courts on witnesses or experts resident in the United States or to surrender persons in custody, except through the process of extradition.

It is the view of the Government of the United States that the matter of the surrender of exhibits dealt with in the third Article of the amended draft convention can be adequately provided for in extradition treaties. Indeed, provisions for the surrender of property in possession of fugitives are contained in some of the extradition treaties of the United States. The list of treaties appended to the report, as examples of judicial cooperation, indicates that the subject as heretofore treated, is closely related to extradition.

While conventions on the subject of judicial cooperation doubtless serve a useful purpose among countries in close geographic proximity to each other, it is not apparent that uniform application of such agreements is necessary.

QUESTION No. 9. The experience of the Government of the United States has not revealed any considerable uncertainty regarding the legal position and functions of consuls. Furthermore, this matter has been the subject of numerous provisions in bilateral treaties. It is the view of the Government of the United States that no compelling necessity exists for the treatment of this subject by a general international convention.

QUESTION No. 10. The Government of the United States does not consider it desirable to revise the classifications of diplomatic agents as proposed. No circumstances or conditions demonstrating the desirability of changing the classification have been revealed nor is there reason to expect that the purposed change, if made, would effect any material improvement.

The Government of the United States does not consider that the regulation by multilateral international agreement of questions eight and nine or the change of classification proposed in question ten is desirable or attainable in the near future.

QUESTION No. 11. The Government of the United States is inclined to the view that an international agreement on the subject of

competence of the courts in certain classes of cases against foreign states, would serve a useful purpose, and would therefore be desirable and that there should be no insuperable obstacle to the concluding of an agreement on that subject.

The Government of the United States thanks the Secretary General for the report on "Effect of the most-favored-nation clause" forwarded with the communication of June 7.

KELLOGG

**OPINION OF THE DEPARTMENT OF STATE ON STATUS OF LEAGUE
OF NATIONS OFFICIALS IN THE UNITED STATES**

500.C211/-

*The Acting Counselor of the British Embassy (Chilton) to the
Chief of the Division of Western European Affairs (Marriner)*

WASHINGTON, September 28, 1927.

DEAR MARRINER: A case has recently been brought to our notice by our Consul-General in San Francisco of a British subject who, justly or unjustly, was arrested and fined by the Oakland authorities for a disturbance of the peace.

Such cases are presumably of fairly frequent occurrence and would not as a general rule be of any particular interest to us, but it so happens that the transgressor happened to be an official of the International Labour Office of the League of Nations who was on his way to Australia on leave and who, in the course of his journey, subsequently attended the second session of the Institute of Pacific Relations at Honolulu as an observer of the International Labour Office.

In the course of certain complaints lodged with the Consulate-General, the offender—or victim, as the case may have been—who had with him a card of identification signed by the Director of the International Labour Office, raised the question of his right to "the diplomatic privileges and immunities" accorded to officials of the League of Nations under the Covenant. He did not, however, attempt to press the matter at the time of his arrest.

I should be very glad to have your views as to what privileges officials of the League of Nations are entitled to in this country. I understand that in certain circumstances League Officials are granted diplomatic visas by the United States Government, but as far as I am aware the extent of such privileges has never been defined.

Yours sincerely,

H. G. CHILTON

500.C211/-

*The Chief of the Division of Western European Affairs (Marriner)
to the Acting Counselor of the British Embassy (Chilton)*

WASHINGTON, November 7, 1927.

DEAR CHILTON: I beg to refer to your letter of September 28, 1927, in which you request to be informed regarding the privileges officials of the League of Nations are entitled to in this country. You state that you understand in certain circumstances League officials are granted diplomatic visas by the United States Government.

As you are doubtless aware, under customary International Law diplomatic privileges and immunities are only conferred upon a well defined class of persons, namely those who are sent by one State to another on diplomatic missions. Officials of the League of Nations are not, as such, considered by the Department to be entitled to such privileges and immunities under generally accepted principles of International Law but only under special provisions of the Covenant of the League which can have no force in countries not members of the League.

In the estimation of this Department the executive authorities of this Government would not be warranted, under our law which is declaratory of International Law, in according to officials of the League of Nations diplomatic privileges and immunities in the United States since such persons are not comprehended in the definition of diplomatic officers contained in our Statutes.

I may add that such an official would customarily be given a diplomatic visa on the basis of his diplomatic passport and accorded the courtesies usually extended to holders of such passports. You will appreciate the fact, however, that no assurance can be given that such a visa would be regarded as entitling the holder to the privileges and immunities of a diplomatic officer provided for in the laws of the United States.

Sincerely yours,

J. THEODORE MARRINER

**EXEMPTIONS FROM TAXATION AND CUSTOMS DUTIES ENJOYED BY
FOREIGN DIPLOMATIC AND CONSULAR OFFICERS IN THE UNITED
STATES**

701/121

The Secretary of State to the Irish Minister (Smiddy)

WASHINGTON, January 22, 1927.

SIR: In compliance with the request made in your note of January 19,⁵⁵ I have the honor to inform you as follows concerning the exemp-

⁵⁵ Not printed.

tion from taxation and customs duties enjoyed by foreign diplomatic and consular officers in the United States:

Ambassadors and Ministers accredited to the United States and the members of their households, including secretaries, attachés, and servants, are exempted from the payment of Federal income tax upon their salaries, fees and wages, and upon the income derived by them from investments in the United States in stocks and bonds and from interest on bank balances in the United States. The income derived from any business carried on by them in the United States would, however, be taxable.

Property in the District of Columbia owned by foreign governments for Embassy and Legation purposes is exempt from general and special taxes or assessments. Property owned by an Ambassador or Minister and used for Embassy or Legation purposes is exempt from general taxes but not from special assessments for improvements. The payment of water rent is required in all cases, as this is not regarded as a tax but the sale of a commodity.

Under a recent ruling of the Treasury Department of the United States all foreign consular officers and the employees of foreign consulates in the United States who are nationals of the State appointing them, on the basis of reciprocity, are exempted from the payment of Federal income taxes on the salaries, fees and wages received by them in compensation for their consular services.

The taxes on the sale of automobiles and jewelry provided for in Sections 600 and 604 of the Revenue Act of 1924⁵⁶ are taxes imposed upon the manufacturers of automobiles and upon the vendors of jewelry. In the collection of such taxes the Government looks to the manufacturer and to the vendor for the payment of the tax and not to the purchasers of the articles. For this reason and the further reason that the price of the article sold is a matter of negotiation between the vendor and the purchasers, the appropriate authorities of this Government have taken the position that no exemption from the payment of these taxes can be granted to the manufacturer or vendor by reason of the fact that the sale is made to a diplomatic representative of a foreign government.

The members of foreign diplomatic missions and foreign consular officers in the District of Columbia are exempt in the District from the payment of personal property taxes on automobiles and other personal property, either tangible or intangible, owned by them. They are furnished identification tags and operators' permits for their automobiles, without charge, provided the applications made therefor bear the seal of the mission and the seal of the Department of State. It is understood that automobiles bearing District of Columbia tags are

⁵⁶ 43 Stat. 253.

permitted to enter the several States without obtaining additional tags. Members of foreign diplomatic missions in the United States and foreign consular officers stationed in the District of Columbia are accordingly not required to pay the fees ordinarily charged other owners of automobiles in this country.

The fees and taxes for automobiles and other property to be charged foreign consuls in the several States of the United States, in the absence of applicable treaty provisions, are subject to regulation by the States in which the consuls are stationed.

By an order dated July 8, 1921, the Collector of Taxes of the District of Columbia was authorized to issue dog licenses to foreign legations without charge.

Articles 404 and 405 of the United States Customs Regulations of 1923 provide for the granting of customs courtesies and the exemption from the payment of customs duties, to diplomatic and consular officers of foreign countries and outline the procedure to be followed by such officers in requesting these courtesies.

Under these regulations foreign ambassadors and ministers, and the secretaries and other attachés of foreign embassies and legations, and their families, are entitled to the free admission of their baggage and effects on their arrival in this country, whether they are stationed in the United States or are en route to missions in other countries. Subsequent to their arrival in the United States they are permitted to import, without the payment of duty, merchandise of any character, if intended for their use or for the use of their families.

Foreign consular officers and their families are accorded the privilege of the free entry of their personal and household effects at the time of their arrival in the United States to take up their official duties or upon their return to their posts in the United States after leave of absence. The baggage and effects of foreign consular officers are subject to such scrutiny by customs officers as may be necessary to ascertain whether or not intoxicating liquors or other legally proscribed commodities are contained therein.

Supplies intended for official use of foreign embassies and legations and foreign consulates in the United States, such as office furniture and office material, may be entered free of duty. Exhibits of the products of foreign countries, if forming a part of the permanent exhibitions in the consulates may also be admitted free of duty.

The granting of these customs exemptions to diplomatic and consular officers of foreign countries is conditional upon the granting of similar exemptions to American diplomatic and consular officers by these countries.

Any material imported by a foreign government to be used in constructing an embassy or legation building is exempted from the payment of customs duties.

The above statement, although not exhaustive, describes some of the more important immunities and exemptions accorded foreign diplomatic and consular officers in the United States. If information is desired in regard to any particular immunity or exemption not referred to herein, the matter will, upon request, be given further consideration.

Accept [etc.]

For the Secretary of State:

J. BUTLER WRIGHT

RIGHT OF FOREIGN GOVERNMENTS TO ACQUIRE, WITHOUT RESTRICTION, PROPERTY FOR EMBASSY OR LEGATION PURPOSES IN THE DISTRICT OF COLUMBIA

701.8311/41

The Egyptian Chargé (Kamel) to the Secretary of State

No. 1332

WASHINGTON, January 14, 1927.

The Charge d'Affairs ad-interim of Egypt presents his compliments to His Excellency the Secretary of State and has the honour to inform him that the Egyptian Government are considering buying a house in Washington for the Legation.

Before deciding definitely on the matter, the Egyptian Government should like to know if the Laws of the United States restrict in any way the right of Foreign Governments to own property.

The Charge d'Affairs ad-interim of Egypt avails himself of this opportunity to express to His Excellency the Secretary of State the assurances of his highest esteem.

701.8311/41

The Secretary of State to the Egyptian Chargé (Kamel)

The Secretary of State presents his compliments to the Chargé d'Affaires ad interim of Egypt and has the honor to acknowledge the receipt of his note of January 14, 1927, asking if the laws of the United States restrict in any way the right of foreign governments to own property.

The Secretary of State has the honor to inform the Chargé d'Affaires ad interim of Egypt that the Government of the United States places no restrictions on the owning of property for Embassy or Legation purposes by foreign governments in the District of Columbia. It may be stated, however, that real property in the District of Columbia is subject in general to the laws of real property in force in the District notwithstanding that it may be owned by a foreign government.

The Commissioners of the District of Columbia have informed the Department that the following rules regarding exemption from taxation under international usage have been adopted by the Commissioner under the advice of the Corporation Counsel of the District of Columbia:

"Property owned by foreign governments and used for legation purposes is exempt from general and special taxes or assessments. Property owned by a minister and used for legation purposes is exempt from general taxes but not from special assessments for improvements."

There are also expenses incident to the property not in the nature of the tax which of course should be paid by the foreign government.

WASHINGTON, *January 25, 1927.*

SUITS AGAINST UNITED STATES SHIPPING BOARD VESSELS IN FOREIGN COURTS"

195/970

The Acting Secretary of State to Diplomatic and Consular Officers

Diplomatic Serial No. 650

G. I. Consular No. 1053

WASHINGTON, *August 30, 1927.*

SIRS: In an opinion handed down on June 7, 1926, in the case of *Berizzi Brothers Company, Appellant, vs. The Steamship "Pesaro"*⁵⁸ the Supreme Court of the United States held that a ship owned and possessed by a foreign government and operated by it in the carriage of merchandise for hire is immune from arrest under process based on a libel *in rem* by a private suitor in a Federal District Court exercising Admiralty jurisdiction. You are therefore directed to cancel the text under subtitle numbered one, Suits Against Shipping Board Vessels in Foreign Courts, of General Instruction, Consular, No. 871 of January 11, 1923,⁵⁹ but you are not to cancel the title itself.

The Decision of the Supreme Court referred to above has not changed the general policy of the Department of refraining from claims of immunity in the courts of foreign countries for vessels owned by the United States Shipping Board, and you should not endeavor to obtain immunity for Shipping Board vessels unless you receive express instructions from the Department to take such action in a particular case.

You are instructed to make a marginal notation under the subtitle, Suits Against Shipping Board Vessels in Foreign Courts, of General Instruction, Consular, No. 871, referring to this instruction.

I am [etc.]

W. R. CASTLE

⁵⁷ For previous correspondence concerning status of United States Shipping Board vessels in foreign countries, see *Foreign Relations*, 1926, vol. II, pp. 478 ff.

⁵⁸ 271 U. S. 562.

⁵⁹ *Foreign Relations*, 1923, vol. I, p. 267.

RULES OF PRECEDENCE AS BETWEEN CERTAIN OFFICERS OF THE UNITED STATES

Executive Order No. 4705, August 10, 1927, Regarding Rules of Precedence as Between Certain Officers of the United States

The following rules of precedence will henceforth be observed as between (1) Ambassadors, Ministers, and officers of the Foreign Service of the United States; (2) officers of the United States Army; (3) officers of the United States Navy and Marine Corps; and (4) Foreign Commerce officers of the United States. Previous executive orders inconsistent herewith are rescinded.

1. In the country to which he is accredited, the chief of the diplomatic mission takes precedence over all officers of the Army, Navy, or Foreign Commerce Service.

2. In diplomatic missions the following ranking will be observed: Counselors take place and precedence next in succession after the Chief of Mission.

Military and Naval attachés take place and precedence next in succession after the Counselor, or at a post where the Department of State has deemed it unnecessary to assign a Counselor, after the senior first secretary. Military and Naval attachés take precedence as between themselves according to their respective grades and seniority therein.

Commercial attachés rank with but after Military and Naval attachés.

Assistant Military and Naval attachés take place and precedence next after second secretaries. Assistant Military and Naval attachés take precedence as between themselves according to their respective grades and seniority therein.

Assistant Commercial attachés rank with but after Assistant Military and Naval attachés.

In the absence of the titular head of the mission, the senior diplomatic officer will act as *Chargé d'Affaires ad interim*, unless otherwise directed by the Secretary of State, and as such will take precedence over all members of the staff of the mission.

At ceremonies and receptions where the members of the mission take individual position, in the lists furnished foreign governments for inclusion in their diplomatic lists, and in the Register of the Department of State, place and precedence will follow the ranking indicated in the paragraphs above.

At ceremonies and receptions where diplomatic missions are present as a body, the Military, Naval and Commercial attachés will form distinct groups, and follow in that order the diplomatic personnel of the mission.

3. In international conferences at which the American delegates possess plenipotentiary powers, the senior Counselor of Embassy or Legation attached to the delegation, takes place and precedence immediately after the delegates, unless otherwise instructed by the Secretary of State.

4. As between officers of the Departments of State and Commerce:—

(a) The senior Foreign Commerce Officer functioning in a consular district in which there is no diplomatic mission, shall rank with but after the senior Foreign Service Officer functioning in that district.

(b) Foreign Commerce Officers in a consular district, other than the senior officer, shall rank with respect to the Foreign Service Officers in the Consular District other than the senior officer as follows:

- (1) Foreign Commerce Officers of Class I, with but after Foreign Service Officers of Classes I and II;
- (2) Foreign Commerce Officers of Class II, with but after Foreign Service Officers of Classes III and IV;
- (3) Foreign Commerce Officers of Class III, with but after Foreign Service Officers of Classes V, VI and VII;
- (4) Foreign Commerce Officers of Class IV, with but after Foreign Service Officers of Classes VIII and IX, and unclassified Officers of the first grade;
- (5) Foreign Commerce Officers of Class V, with but after unclassified Foreign Service Officers of the second and third grades.

(c) In the absence of the Foreign Service Officer in charge of a consular district, the Foreign Service Officer acting shall enjoy the precedence regularly accorded the former, and in the absence of the ranking Foreign Commerce Officer, the Officer acting shall enjoy the precedence of the ranking Foreign Commerce Officer.

5. In the districts to which they are assigned, Foreign Service officers in charge of Consulates General take place and precedence immediately after Brigadier Generals in the Army or Marine Corps, and hold rank intermediate between Rear Admirals and Captains in the Navy.

In the Districts to which they are assigned, Foreign Service officers in charge of Consulates take place and precedence immediately after Colonels in the Army or Marine Corps and Captains in the Navy.

CALVIN COOLIDGE

THE WHITE HOUSE, *August 10, 1927.*

ARGENTINA

PROPOSED TREATY OF FRIENDSHIP, COMMERCE AND CONSULAR RIGHTS BETWEEN THE UNITED STATES AND ARGENTINA

611.3531/86

*The Ambassador in Argentina (Bliss) to the Secretary of State*¹

No. 18

BUENOS AIRES, *September 20, 1927.*

SIR: I have the honor to refer to the Department's instruction No. 68 of August 18, 1926,² relative to a Treaty of Friendship, Commerce and Consular Rights of which the central principle would be an unconditional most-favored-nation clause, which would replace the Treaty of Friendship, Commerce and Navigation of 1853 originally entered into between the Government of the United States and the Argentine Confederation.³ The Department of State further informed the Embassy on June 21, 1927,² of the attitude adopted by various South American countries towards this subject. The Embassy had made various oral requests of the Ministry for Foreign Affairs relative to the development of Argentine opinion upon the advisability of entering into negotiations for such a Treaty. The utter failure of the legal division of the Ministry for Foreign Affairs to place the question upon its proper basis is set forth in Embassy's Despatch No. 351 of July 27, 1927.²

The Embassy is now in receipt of a note with an enclosed protocol from the Ministry for Foreign Affairs dated September 8, a copy and translation of which are transmitted herewith. The salient features appear: 1, the reference to the reported visit of American Commissioners to investigate the cost of production (of flaxseed and corn, is to be understood), and 2, the desire of the Argentine Government to sign a protocol allowing either party signatory to the Treaty of 1853 to denounce that Treaty at any time upon a notification of six months.

The appended protocol should be taken, I believe, as an indication that the Argentine Government is not at this moment desirous of entering into negotiations for a new Treaty containing an uncon-

¹ Date of receipt not known.

² Not printed.

³ William M. Malloy (ed.), *Treaties, Conventions, etc., Between the United States of America and Other Powers, 1776-1909* (Washington, Government Printing Office, 1910), vol. 1, p. 20.

ditional most-favored-nation clause. Their expressed wish to place in the Treaty of 1853 an addition granting this right of denunciation might prove detrimental to the United States, should it be ratified, inasmuch as it would provide an avenue of attack to those nations which are in active commercial competition with the United States, by enabling foreign pressure to bring about an abrogation of the Treaty.

I have the honor to call the Department's attention to the Embassy's despatch No. 372 of August 18, 1927,⁴ which transmitted a portion of the annual report of the Argentine Embassy at Washington, which contains pertinent facts concerning the attitude to be adopted at this time by Argentina regarding negotiations for a new Commercial Treaty with the United States.

I have [etc.]

ROBERT WOODS BLISS

[Enclosure—Translation]

*The Argentine Minister for Foreign Affairs (Gallardo) to the American Chargé (Cable)*⁵

BUENOS AIRES, September 8, 1927.

. MR. CHARGÉ D'AFFAIRES: As I had the pleasure of informing the Embassy under your worthy charge in my note of December 2 last, my Government has considered with the greatest care the American proposal of September 17 with reference to the negotiation of a new Treaty of Commerce between the United States and the Republic.

The desire of the American Government to direct its commercial policy in accordance with modern principles is shared by the Argentine Government. Without doubt you know the statements which the commercial and industrial organizations of Argentina have made on separate occasions requesting a complete revision of our system of treaties, which according to these petitions should begin with the general denunciation of all the conventions now in force.

The legislature has supported these desires of the public and in obedience thereto has appointed a parliamentary commission whose duty it is to study the conventions now in force and to give advice with respect either to the approval or alteration of the principles upon which they are based. Although the commission has not at this date rendered a definite report, the Executive Power believes that, whatever may be its future decision, the moment has arrived to prepare the ground for the modifications which will certainly be

⁴Not printed.

⁵Note addressed to the Chargé. Ambassador Bliss, however, had arrived at his post and assumed charge on August 31.

suggested, and above all to create the diplomatic resources which would provide the means to readjust the treaties questioned by public opinion and fortunately rejected even from a theoretical standpoint, as inefficient and obsolete, by certain of the contracting States with whom we are bound by them, as for example in the present instance by the American Foreign Office, which offers the new formula referred to in the above mentioned note of September 17, 1926.

In view of the foregoing and with the desire to obviate unavoidable differences of interpretation which the new forms of international commerce and its official control might advance with respect to the enforcement of the Treaty of Commerce of 1853, as for instance, the opinion which I presented to the Embassy under your worthy charge in the Memorandum of July 19 last, with reference to the reported visit to the Republic of an American commission to investigate the cost of production, I have the pleasure to request you to enquire of your Government the views which it might entertain in regard to the signing of an additional protocol similar to the one which accompanies this note.

Please accept [etc.]

ANGEL GALLARDO

[Subenclosure—Translation]

Draft of a Proposed Additional Protocol

In order to complete the Treaty of Friendship Commerce and Navigation between the Argentine Federation and the United States of America, of July 26 [27], 1853, the Minister for Foreign Affairs of the Argentine Nation, Dr. Angel Gallardo, and the Ambassador Extraordinary and Plenipotentiary of the United States of America, being duly authorized by their respective Governments with ample and sufficient full powers which have been exchanged in due form on this occasion, have agreed to add to the said Treaty the following article:

“The present Treaty will continue indefinitely in force for the contracting powers as long as it is not denounced by the Government of either of them. This denunciation may be made at any time six months in advance of the date on which the Treaty shall cease to be effective.

“In witness to which the representatives sign the present additional article, at Buenos Aires, the . . . day of . . . of the year 1927, and affix their respective seals.”

**EFFORTS TO SECURE FOR AMERICAN FIRMS EQUAL CONSIDERATION
WITH OTHER FOREIGN COMPANIES IN BIDS FOR ARGENTINE
NAVAL CONSTRUCTION**

835.34/405 : Telegram

The Ambassador in Argentina (Jay) to the Secretary of State

BUENOS AIRES, *May 21, 1926—11 a. m.*

[Received 1:25 p. m.]

39. Press announces President by Cabinet resolution has directed the expenditure of 32,000,000 gold pesos for construction of two cruisers, three submarines, two destroyers and two gunboats. Funds apparently to be taken from unexpended balance alleged to have been left over after purchase of naval units appropriated for in 1909. Constitutionality of President's authorizing this and other large expenditures without approval of Congress now in recess is seriously questioned. Naval attaché is following developments closely and will continue to keep Navy Department informed. Representative of Fore River Shipbuilding Corporation arrived here recently on this matter and will continue to receive all proper assistance from Embassy.

JAY

835.34/405 : Telegram

The Secretary of State to the Ambassador in Argentina (Jay)

WASHINGTON, *September 9, 1926—6 p. m.*

36. Your telegram 39, May 21, 11 a. m. Department is informed that the Electric Boat Company of New York is competing before an Argentine Commission in Paris for an order for three submarine torpedo boats of about nine hundred tons each. It is proposed to build them at works of Cockerill Company in Belgium but from designs and under superintendence of Electric Boat Company which would also furnish certain parts.

Strong foreign competition is reported. You should seek an early opportunity informally to request the appropriate authorities that American firms be given an equal chance to compete for this business and that their offers receive consideration equal to that accorded any other foreign companies.

KELLOGG

835.34/409 : Telegram

The Ambassador in Argentina (Jay) to the Secretary of State

BUENOS AIRES, September 11, 1926—9 a. m.

[Received 2 p. m.]

63. Department's telegram 36, September 9, 6 p. m. I have taken up informally but actively with Minister for Foreign Affairs competition for submarines. He assures me our bids will receive equal opportunity and be examined strictly on their merits regardless of any foreign political considerations. Minister who was most friendly did not deny my tentative suggestion that Italian Government was pressing matter, but repeated his assurances that no favoritism would be shown.

I had just heard former Italian naval attaché here was attached to chief of Argentine Naval Mission in Europe during latter's visit to Italy and followed him on his further journeys. Also learned Italian Embassy here has urged building of submarines in Italy.

Our naval attaché will take first opportunity for appropriate action with the Ministry of Marine.

JAY

835.34/409 : Telegram

The Secretary of State to the Ambassador in Argentina (Jay)

[Paraphrase]

WASHINGTON, October 18, 1926—1 p. m.

41. Referring to your telegram No. 63 of September 11, 9 a. m., and particularly to the statements concerning American bids which were made to you by the Minister for Foreign Affairs, I now understand that the Government of Argentina is on the point of awarding contracts for the construction of two destroyers, three submarines, and two cruisers amounting in all to about 12½ million dollars, and that a new program for 95 million dollars is also contemplated. I am informed that heretofore most of this work has been done for Argentina by the Bethlehem Steel and Shipbuilding Company and in an entirely satisfactory manner. I am further informed that it is not the intention of the Government of Argentina to give any opportunity to that company or to other American shipbuilders to bid, but that business is being carried on with Italy, England, and France exclusively. Because of the attitude which I have always taken in not raising objection to and, as a matter of fact, in encouraging American bankers to lend money to Argentina, and because of the relations which exist between the two Governments, I feel very strongly that

Argentina should grant American shipbuilders an equal opportunity to bid on and receive these contracts. Kindly present this subject informally, but in no uncertain terms, to the Minister for Foreign Affairs and any other authorities you deem best.

KELLOGG

835.34/412 : Telegram

The Ambassador in Argentina (Jay) to the Secretary of State

[Paraphrase]

BUENOS AIRES, October 19, 1926—noon.

[Received 5 p. m.]

76. Department's telegram No. 41, dated October 18, 1 p. m. Embassy's despatch No. 168, October 6,⁶ which was mailed on October 7, should reach the Department within a few days. In it was enclosed a translation of the new naval appropriation act finding an expenditure of 75 million Argentine gold pesos to be spread over the next 10 years.

As was mentioned therein, the Minister of Marine, when I approached him, told me that American shipbuilders such as Fore River and Cramps were being requested to make tenders in common with European competitors.

I do not understand the situation which the local agent of the Bethlehem Steel Corporation described as having been managed in a hurried and furtive manner inasmuch as I consider the Minister of Marine to be personally most friendly to the United States. However, I will immediately and actively take the matter up with the Foreign Minister and advise the Department by telegraph.

This morning I discussed the matter privately with Ambassador Pueyrredon.⁷ He refused to believe the alleged exclusion of American tenders. He promised me his support if necessary.

JAY

835.34/413 : Telegram

The Ambassador in Argentina (Jay) to the Secretary of State

[Paraphrase]

BUENOS AIRES, October 19, 1926—4 p. m.

[Received 6:20 p. m.]

77. Embassy's telegram No. 76, dated October 19, noon. The naval attaché by exertive friendship with the Minister of Marine this morning learned the following:

⁶ Not printed.

⁷ Argentine Ambassador to the United States.

In August the Ministry of Marine telegraphed Johnston of the Bethlehem Steel Company to contact the Argentine Naval Mission in New York. The Minister of Marine read cablegrams from Admiral Galindez, chief of the Naval Mission in Europe, quoting bids from Cramps and New York Shipbuilding Company. I make the suggestion that Department verify the above. The Minister of Marine added that the Argentine Mission in the United States had been instructed last week once more to ask tenders from Bethlehem. In view of the above I shall not make further representations to the Government of Argentina unless the Department instructs me otherwise. At official luncheon today I found opportunity to express both to the Foreign Minister and to the Minister of Marine my confidence that American interests will receive equal treatment.

JAY

835.51/564

*Memorandum by the Economic Adviser (Young) of a Conversation
With Mr. Hugh Knowlton of the International Acceptance Bank*

[WASHINGTON,] January 7, 1927.

SUBJECT: PROPOSED LOAN TO ARGENTINA FOR NAVAL CONSTRUCTION

Mr. Knowlton stated that the Argentine Government was in course of realizing a naval program calling for an expenditure of some 75 million dollars over a period of years; that it was now contemplated to raise a loan of 15 million dollars to finance the building of certain vessels; that the bonds in question would be six per cent bonds, with a one per cent cumulative sinking fund running for thirty-three years.

The business had been brought to the attention of the International Acceptance Bank through the Argentine branch of the French firm of Louis Dreyfus. I inquired where the proposed naval construction would be carried out. Mr. Knowlton stated that he did not know definitely, but that there had been some discussion of having part, at least, done in France or Italy. Mr. Knowlton would be prepared to specify that a part of the construction be carried out in the United States. He inquired whether the Department would desire a preference for American firms. I replied that it is not the ordinary practice of the Department to suggest any preference, but that we always hoped that in the case of construction work of any sort American firms would have the fullest opportunity to compete freely, and that as to construction work in general the Department was always glad to see the work done by American firms. Mr. Knowlton stated that he would be prepared in any case to stipulate that American firms

should have the fullest and freest opportunity to compete for any proposed work.

In reply to his inquiry whether the Department would object to a loan for naval construction by Argentina, as such, I stated that I was not prepared to express any views without consideration, but that I would take up the matter promptly and communicate with him.

A[RTHUR] N. Y[OUNG]

835.51/567

Memorandum by the Assistant Secretary of State (White) of a Telephone Conversation With Mr. Hugh Knowlton of the International Acceptance Bank

[WASHINGTON,] January 14, 1927.

SUBJECT: PROPOSED LOAN TO ARGENTINA FOR NAVAL CONSTRUCTION

I called Mr. Knowlton on the telephone and referred to his conversation with Dr. Young, particularly to his statement to Dr. Young that he would be prepared to stipulate that American firms have the fullest and freest opportunity to compete for any proposed work. In the event, I said, that Mr. Knowlton should write us a formal letter and state that such a stipulation had been made and that an equal opportunity would be accorded American firms to bid, the Department would reply stating that it would have no objection to the proposed financing. I might add also that the Department of course would be very glad to see some of the work go to American firms.

Mr. Knowlton stated that since his conversation with Dr. Young he had telegraphed to his representatives in Buenos Aires inquiring whether American firms would be accorded a free and equal opportunity to bid. The reply had been unsatisfactory, stating that no such assurance would be given. Mr. Knowlton said that he would telegraph again and make his inquiry clear. There might have been some misunderstanding.

I stated that I would be glad to have him do so. It seemed to me impossible that such a stipulation would not be granted by the Argentine Government. I also stated that it was the Department's practice in connection with loans the proceeds of which were to be used for construction work to ask that the bankers concerned should see that there was nothing in the contract which would preclude American concerns from bidding for the work in question. Mr. Knowlton stated that he would let me know what further reply he received from the Argentine.

F[RANCIS] W[HITE]

835.34/421 : Telegram

The Acting Secretary of State to the Chargé in Argentina (Cable)

WASHINGTON, March 1, 1927—3 p. m.

9. Bethlehem Steel Company states that further difficulties are being encountered in getting contracts for Argentine naval construction. It appears that contracts are to be awarded to Italy for cruisers, to England for fast destroyers and to France for submarines. It is stated that although the bids of the Bethlehem Steel Company were higher than those of foreign competitors the Argentine Government has hitherto always found this added expense justified by superior workmanship. If contracts were awarded to lowest bidder all would go to Italy whereas company considers that they are evidently to be divided for political reasons between Italy, England, and France. It seems to be the intention nevertheless to finance this construction in the United States. The Company points out that other countries have taken the position that when they make loans in similar circumstances their nationals must receive the contracts.

If you are satisfied that the foregoing information regarding the allocation of the construction in question is substantially correct, and that there has been in fact an unwarranted discrimination against American interests, particularly if margin by which British and French bids exceed Italian bid is comparable to margin by which American bid exceeds the Italian bid, you may express to the Minister for Foreign Affairs the hope of this Government that an equitable share will be accorded to American firms. You may add that if it is contemplated to arrange for the necessary financing in this market it would undoubtedly give rise to difficulties unless at least a fair share of the construction should be placed here. See the next to the last sentence of the Department's cablegram 41, October 18, 1 p. m., and instruction 117 of January 25.⁸ In the event that all construction should go to Europe it would be a matter of keen regret to this Government.

GREW

835.34/422 : Telegram

The Acting Secretary of State to the Chargé in Argentina (Cable)

[Paraphrase]

WASHINGTON, March 9, 1927—7 p. m.

11. Department's telegram No. 9, dated March 1, 3 p. m. Please inform Department of present status of matter. Representative of

⁸ Instruction No. 117 not printed; this instruction enclosed the two memoranda of conversation with Mr. Hugh Knowlton, dated Jan. 7 and 14, pp. 427 and 428.

Bethlehem interests in Washington states that he has good reason for believing that the board which is supposed to receive and report upon all tenders did not even pass upon his company's bids.

GREW

835.34/423 : Telegram

The Chargé in Argentina (Cable) to the Secretary of State

[Paraphrase]

BUENOS AIRES, *March 10, 1927—3 p. m.*

[Received 5:30 p. m.]

27. Department's telegram No. 11, dated March 9. During an interview with the Foreign Minister on March 4, I informed him of the attitude set forth in Department's 9, March 1. The Foreign Minister said that as yet President Alvear had signed no contract, but that he would not fail to invite the attention of the President and Minister of Marine to the substance of our conversation. Since the Government has been informed of the attitude of the United States, it does not appear for the present that any further steps can be taken. Mr. Hill, the vice president of the Bethlehem Steel Company, who is now here, is fully aware of all measures taken by the Embassy.

CABLE

835.34/428

The Chargé in Argentina (Cable) to the Secretary of State

No. 261

BUENOS AIRES, *April 7, 1927.*

[Received April 27.]

SIR: I have the honor to refer to the Department's telegrams No. 41 of October 18, 1926, 1 p. m., No. 45 of November 24, 1926, 2 p. m.,⁹ No. 9 of March 1, 1927, and No. 11 of March 9, 1927, 3 [7] p. m., and subsequent correspondence relative to the purchase by the Argentine Government of various naval units comprised in the forthcoming naval programme authorized by this Government.

The situation at present I understand is as follows:

The Bethlehem Steel Company has been unsuccessful in arriving at an understanding with the Argentine Government. This may be put down to several reasons, the primary one of which is the cost of manufacture in the United States. It has been decided, and this is from an authoritative source, that the light cruisers will be built in

⁹ Telegram No. 45 not printed.

Italy and the flotilla leaders in Great Britain. The building programme has not been completely contracted for so that there is an opportunity of Bethlehem coming to an understanding either for future units or possibly destroyers.

I am led to understand that the allegations made by the American companies some four months ago are not without foundation, as it was the original intention of Admiral Domecq Garcia, the Minister of Marine, and Admiral Galindez, who is Chief of the Naval Mission in Europe, to award the complete construction to Italy. . . . Pressure brought to bear on the basis of the slogan "Buy from those who buy from you" brought about the tentative awarding of the flotilla leaders to Great Britain. From what I understand, Admiral Garcia has done and will do everything possible to keep any portion of the plan from American builders.

The Electric Boat Company stands in a rather stronger position than the Bethlehem Steel Company in view of the fact that a Commission formed prior to the awarding of any contracts reported that the double-hulled boats of the *Holland* type were far in advance of any type constructed in Europe and should be adopted for the Argentine Navy. President Alvear, with his well-known feeling for France, desired the submarines to be built there, and it is possible that the Electric Boat Company, which has licensees in that country, may adopt the plan of constructing them abroad under the American patents in order to conciliate his point of view.

I have recently been informed that Admiral Garcia proposed to the Minister of Finance that the debt of \$20,000,000 which France owes to Argentina should be utilized by the construction of naval units in that country, and suggested that four submarines at present practically completed in France should be considered as part payment. I understand that the French Government does not wish to release these units which they have constructed for themselves, but have proposed to construct four more. As these would not be of the *Holland* type, it would be running contrary to the findings of the Argentine Board on submarines.

In my last two interviews with the Minister for Foreign Affairs, in which I emphasized the point of possible financing in the United States and the feeling of the Department concerning a portion of the construction going to American shipbuilders, I met with absolute silence and a statement that the question was entirely in the hands of the Minister of Marine and President Alvear to whose attention he had called the matter, and that he could do nothing further.

I have [etc.]

PHILANDER L. CABLE

835.34/426 : Telegram

The Chargé in Argentina (Cable) to the Secretary of State

[Paraphrase]

BUENOS AIRES, April 15, 1927—5 p. m.

[Received 8:20 p. m.]

38. Embassy's telegram No. 27, dated March 10. Although no contracts have been signed up to the present time, yet it may be stated with confidence that Italy will secure the light cruisers and England the sloops and flotilla leaders. It is said that the French Government will construct the submarines. I have pointed out to the Under Secretary that if such should be the case, it would be contrary to the report of the naval board which recommended the *Holland* type submarines.

The Electric Boat Company representative informs me that his company is in a position to construct vessels under its own patents in French yards. This may be the Argentine Government's plan, since it would satisfy President Alvear's desire for France to have part of the construction program and it would eliminate the accusation that the United States is being discriminated against.

I have been informed that the Government of Argentina has requested tenders for a loan of \$15,000,000 in New York and London. Such an amount would cover the units of the present program. The London terms will be accepted if they should be practically as favorable as those of New York.

CABLE

835.34/428

The Secretary of State to the Ambassador in France (Herrick)

No. 2322

WASHINGTON, June 14, 1927.

SIR: The Department has been informed by Mr. C. S. McNeir, Washington representative of the Electric Boat Company of Groton, Connecticut, that his principals have virtually succeeded in obtaining a contract for the construction of three submarines for the Argentine Government. There was strong competition for this business from firms in certain other countries and it is understood that considerable influence was used in their behalf, but the Department was able, through the Embassy at Buenos Aires, to obtain due consideration for the bid of the American company.

It now appears that by the terms of the contract the submarines are to be built in France under American patents, and that the matter has reached the point where it is necessary for the Electric Boat Company to come to an agreement with the Argentine Govern-

ment as to the French yard which is to carry out the construction. The first yard selected by the Electric Boat Company has been rejected on account of alleged lack of experience in the construction of submarines, and it is confidentially stated by Mr. McNeir that the French Government is making recommendations to the Argentine Government as to the yard to be employed.

In this situation the Electric Boat Company has instructed its Paris representative, Captain Paul Koster, that it may ultimately be necessary to enlist the support of the French Government with regard to some yard which is considered satisfactory to the company, and has advised him to consult you when that time comes. Should he do so, you are authorized to render him such assistance as may be consistently possible through informal representations to the appropriate French authorities.

I am [etc.]

For the Secretary of State:

FRANCIS WHITE

835.34/428 : Telegram

The Secretary of State to the Chargé in Argentina (Cable)

WASHINGTON, July 28, 1927—5 p. m.

26. Your despatch 261 April 7 last and previous correspondence. Electric Boat Company states that Señor Ribero its representative in Buenos Aires reports that the submarine contract is about to be awarded to Italian firm. Department understood that the matter had been definitely decided in favor of construction by Electric Boat Company under American patents in France and still hopes that such is the case. Please make informal inquiry of appropriate authorities expressing Department's continued interest. Cable exact status.

KELLOGG

835.34/451 : Telegram

The Chargé in Argentina (Cable) to the Secretary of State

BUENOS AIRES, August 9, 1927—5 p. m.

[Received 9:30 p. m.]

70. Department's telegram 26, July 28, 5 p. m. After a consultation with Ribero, had interview with Under Secretary of State for Foreign Affairs stressing Department interest and informed him at Ribero's suggestion that Electric Boat Company fully capable of completing contract. He stated that he would inquire into the matter and communicate with me informally. So far no reply received.

[Paraphrase.] Yesterday I was informed . . . that it was practically decided to award the contract to an Italian company of Taranto which is operated by Germans. This company constructs double-hulled ships of the same type as the *Holland* and considered by some to be superior. A report which was submitted by Lieutenant Commander Teisaire of the Naval Mission in Europe, who received his original submarine instruction at the Electric Boat Company's plant, that this type was preferable for their purposes, has caused the board of Admirals to reverse their original decision. . . . As yet the contracts have not been let. [End paraphrase.]

CABLE

835.34/428 : Telegram

The Secretary of State to the Chargé in Argentina (Cable)

[Paraphrase]

WASHINGTON, August 18, 1927—2 p. m.

31. Embassy's telegram No. 70, dated August 9, 5 p. m. You are instructed to request an audience with the President and tell him that the Department, with a desire to insure full and careful consideration of the Electric Boat Company's proposition, sincerely hopes that no decision will be made until the company has had the opportunity to present evidence of the arrangements made by it in France on the understanding that the matter had been decided virtually in the company's favor.¹⁰

The delay is partly desired in order that the Electric Boat Company may have time to enlist the support of the Government of France. Because of President Alvear's well-known disposition to favor France, the company believes this may be effective.

KELLOGG

835.34/461

The Ambassador in Argentina (Bliss) to the Secretary of State

No. 37

BUENOS AIRES, October 17, 1927.

[Received November 10.]

SIR: I have the honor to refer to the Embassy's telegram No. 39, of May 21, 1926, and subsequent correspondence concerning the Argentine naval construction program, and, for the Department's information, to submit the following report concerning the various contracts which have already been let.

¹⁰ In a letter of Aug. 20, 1927, the Electric Boat Co. informed the Department that the Government of Argentina had agreed to postpone the final decision; letter not printed. (File No. 835.34/435.)

Two scout cruisers, nominally of approximately 8,000 tons, have been awarded to the Orlando Company, at Leghorn, in Italy. The keels of these vessels were laid on October 12. Two destroyer leaders were bought outright from Spain. It is understood that these ships, which are not yet completed, are being constructed in that country by the Sociedad Española de Constructores Navales. The actual, but not nominal, head of this company, which is supposedly a subsidiary of Armstrong and Vickers, is Sir Philip Watts. J. Samuel White and Company, of Cowes, will build three destroyer leaders. Two sloops and two tugs are to be constructed by Hawthorn, Leslie and Company; and the contract for the construction of three submarines has been awarded to Tossi, of Taranto, Italy.

The failure so far of the two American concerns most actively engaged in attempting to obtain contracts, i. e., the Electric Boat Company for submarines and the Bethlehem Steel Corporation for other units, may be explained as follows: it would undoubtedly appear that Admiral Domecq Garcia, the Minister of Marine, and Admiral Galindez, Chief of the Argentine Naval Commission in Europe, desired to have the complete naval program constructed in Italy. For various political reasons, however, the British and Spanish naval construction firms received contracts, although I understand that it was distinctly against naval opinion to purchase the two flotilla leaders from Spain. I am also led to believe that Sir Malcolm Robertson, the British Ambassador, interested himself extremely in the allotment of the various units to Great Britain and pointed out that as his country is Argentina's best customer, and the largest ship-building nation in the world, it should receive due consideration.

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Even before presenting my letters of credence, I had a conversation with Dr. Gallardo, the Minister for Foreign Affairs, on behalf of the Electric Boat Company, recommending to the earnest consideration of the Argentine Naval authorities its proposition to build three submarines in France for the Argentine Navy. Before his departure for Europe, I talked with him again on the subject and also took it up later with Dr. Sagarna, Acting Minister for Foreign Affairs, and with Admiral Domecq Garcia, the Minister of Marine.

In view of the letting of the contract to the Tossi Company, I personally do not believe that the Electric Boat Company have any further opportunity of obtaining the units which are to be constructed in the future, unless they should adopt different means of approach.

As far as it has been possible to learn, the bid made by the Electric Boat Company exceeded that of the Tossi Company. It has been reported that Signor Mussolini, at the request of the head of the

Argentine Naval Commission in Europe, intervened with the Italian company, with the result that its price for the submarines was reduced from £218,000 to £208,000 for each vessel.

The Bethlehem Steel Corporation have, I believe, a fair chance to gain the contract for the four river gunboats, inasmuch as Mr. Hill, Vice President of the Corporation, who is now in Buenos Aires, has made a tender which has appealed to the Argentine Government. He has offered to assemble one of these units in Argentina, with Argentine workmen, only the direction to be controlled by the Bethlehem Steel Corporation. As this would be the first naval unit of any importance to be built in South America, it would naturally be a subject of local pride, and there is a reasonable expectation, therefore, that the Bethlehem Steel Corporation will be able to obtain the contract by this means.

The appropriation calls for \$35,000,000 gold to be spent during the first three years, \$20,000,000 during the next three, and \$20,000,000 during the last four. Of the complete program there remain to be ordered one light cruiser, one destroyer leader, three submarines and various smaller craft for river work which are not specifically named in the bill.

Whether or not American firms will be able to obtain orders for these units depends principally upon whether they can reduce their cost of production sufficiently to enable them to approximate the prices of their European rivals.

I have [etc.]

ROBERT WOODS BLISS

AUSTRALIA

REPRESENTATIONS BY THE AUSTRALIAN GOVERNMENT REGARDING ENTRY OF AUSTRALIAN BUSINESSMEN INTO THE UNITED STATES

711.412/22

The Commissioner for Australia (Denison) to the Secretary of State

NEW YORK, 14 January, 1927.

[Received January 15.]

DEAR MR. SECRETARY OF STATE: In connection with the recent visit of the Right Hon. S. M. Bruce, Prime Minister of Australia, to Washington, when he had the pleasure of an interview with you, the question of the position of Australian business men visiting the United States of America was discussed in the presence of His Excellency the British Ambassador, and myself, who accompanied Mr. Bruce. At the close of that interview you suggested that I should furnish you with a report on the existing position for your further consideration. I now have the honour of submitting same herewith.

It should be noted that the entrance of Australian citizens is controlled by certain regulations of the Bureau of Immigration, United States Department of Labor. These regulations may be defined broadly as:—

(a) Entrance under the quota allotted to the Commonwealth of Australia.

(b) Entrance as transients,

(c) Entrance of persons who visit the United States as students.

(d) Entrance as persons engaged in commerce, and who are granted liberty to remain in the country for a limited period (generally from three to six months), with the privilege of applying to the Bureau of Immigration for an extension of time.

The most embarrassing feature of these regulations is centred in the experience of Australians who enter for the purpose of extending their financial, commercial and industrial activities, and which are usually of mutual benefit to Australia and the United States.

It may be pointed out that American citizens are free to enter Australia, and to establish business offices in any part of the Commonwealth. There are no restrictions, and, consequently, full advantage is taken of this opportunity to engage in the ever-increasing trade as between the United States and Australia. One of the many

instances which might be cited for the purpose of emphasizing this feature, is the trade in automobiles and motor trucks. Australia today imports more American-made automobiles than any other country in the world, and in this activity alone there are a great many Americans who are engaged in American offices established in Australia.

On the other hand, if an Australian business house desires to extend its operations to the United States, a representative of the firm must enter this country either under (*a*) the Australian quota, or (*d*) as a temporary visitor. The annual quota for Australia is so limited that the opportunity to enter through that channel (*a*) is denied to many Australian business men, whilst the regulation which classes them as visitors (*d*) leaves no freedom to establish and maintain proper business offices with continuity of operations by those who are best qualified with a knowledge of the business.

It is desired to urge that consideration be given to the wish of the Government of the Commonwealth of Australia that the concessions granted to business men of the United Kingdom, who establish offices in the United States, be extended in like manner to citizens of Australia.

The privilege enjoyed by British citizens was made possible under the Treaty between the United States of America and Great Britain, proclaimed on December 22nd, 1815.¹ That Treaty was designed to regulate commerce and navigation between the respective countries, and to ensure full liberty on both sides in connection with the commerce of the two countries. Its purport is that the merchants and traders of Great Britain and the United States shall enjoy the most complete protection and security for their commerce in such a manner as to render the same reciprocal, beneficial and satisfactory. The Treaty definitely limits its operation to "all the Territories of His Britannic Majesty in Europe." The words "in Europe" isolate Australia, a country virtually unknown (at least in a trading sense) in 1815, when the Treaty was proclaimed as between Great Britain and the United States.

It is desired to learn whether (*a*) the Government of the United States of America is able, and would be willing, to extend to citizens of the Commonwealth of Australia the privileges granted to British citizens under the Treaty of 1815, or (*b*), in the event of it not being possible to effect such an extension under that Treaty, would be agreeable to negotiate a special Treaty with the Commonwealth for a similar purpose.

The consideration of this matter on the part of the United States Department of State will be greatly appreciated by the Government

¹ Signed July 3, 1815, Hunter Miller (ed.), *Treaties and Other International Acts of the United States of America*, vol. 2, p. 595.

of the Commonwealth, and I will welcome any advice you may be kind enough to offer, with a view to bringing about the much-desired change in the status of Australian citizens who are so vitally affected by this matter.

I have [etc.]

HUGH R. DENISON

711.412/22

The Secretary of State to the British Ambassador (Howard)

WASHINGTON[, February 26, 1927.]

EXCELLENCY: I have the honor to acknowledge the receipt of a communication, dated January 14, 1927, from the Honorable Hugh R. Denison, Commissioner of Australia, relating to the entry of Australian citizens into the United States, and to a recent discussion of the subject at the Department. Mr. Denison sets forth clearly the present status of Australian business men desiring to extend their commercial affairs in the United States and points out the restrictive features of the Immigration Act of 1924.²

He desires to learn whether (a) the Government of the United States is able, and would be willing to extend to citizens of the Commonwealth of Australia the privileges granted to British citizens under the Treaty of 1815, or (b), in the event of it not being possible to effect such an extension under that Treaty, would consider the negotiation of a special treaty with the Commonwealth for a similar purpose.

The Department considers that the Treaty of 1815 with Great Britain relates to trade and commerce with British possessions in Europe and that its provisions are not applicable to any of the component parts of the British Empire overseas.

As to the possibility of the negotiation of a treaty with the Commonwealth of Australia for the purposes defined in Mr. Denison's communication, I beg to invite your attention to the wording of Section 3 (6) of the Immigration Act of 1924, which reads as follows:

"an alien entitled to enter the United States solely to carry on trade under and in pursuance of a present existing treaty of commerce and navigation."

That provision became effective on May 26, 1924, and hence would not apply to a treaty concluded subsequently. In view of this situation I am not prepared at present to discuss this aspect of the subject but the Department is deeply interested and I shall be glad to communicate with you at a later date in regard to it.

Accept [etc.]

FRANK B. KELLOGG

² 43 Stat. 153.

711.472/7

*The British Embassy to the Department of State*³

MEMORANDUM RE ENTRY OF AUSTRALIAN BUSINESS MEN INTO THE UNITED STATES

On December 30, 1926, the Prime Minister of Australia, The Right Honourable S. M. Bruce, had the honour of an interview with the Secretary of State at Washington, when the question of the disabilities attaching to the entry of Australian business men into the United States outside of the quota was discussed.

The Prime Minister was accompanied at that interview by His Excellency the British Ambassador and the Commissioner for Australia in the United States.

At the close of the interview the Honourable the Secretary of State requested that a statement of the position from the Australian point of view should be prepared and sent to him by the Commissioner for Australia.

Under date of January 14, 1927, a communication was duly forwarded to the Secretary of State, setting out clearly the position existing at present, and asking (a) whether the Government of the United States of America is able and would be willing to extend to citizens of the Commonwealth of Australia the privileges granted to British citizens under the treaty of 1815, or (b) in the event of it not being possible to effect such an extension under that treaty, the Government of the United States would be agreeable to negotiate a special treaty with the Commonwealth for a similar purpose.

Subsequent to receipt of this letter the British Ambassador was given to understand semiofficially that the matter was under consideration, but that the Department was not in a position to give a definite opinion thereon until it had been ascertained whether Congress would be prepared to amend Section 3, Clause 6. of the United States Immigration Act of 1924.

Under date of February 18 [26], 1927, a communication was sent from the Department of State, Washington, intimating:

- (1) that the Department considered that the treaty of 1815 with Great Britain relates to trade and commerce with British possessions in Europe, and that its provisions are not applicable to any of the component parts of the British Empire overseas;
- (2) that as regards the possibility of the negotiation of a treaty with the Commonwealth of Australia for the purposes defined in the communication of the Commissioner for Australia, dated January 14, Section 3, clause 6. of the Immigration Act of 1924 did not apply to a treaty concluded subsequently.

³ Left at the Department by the British Ambassador and the Australian Commissioner Nov. 30, 1927.

It was further added that in view of this situation the Secretary of State was not prepared at that time to discuss that aspect of the subject, but that the Department was deeply interested and would be glad to communicate with the British Ambassador at a later date in regard to it.

Since then no further communications appear to have passed between the parties in reference to this matter, but a letter has now been received by the Commissioner for Australia from the Prime Minister of the Commonwealth, asking that this matter should be reopened in view of the fact that the officials of the State Department appear to recognise that Australia in this matter is under a disability that should be removed as early as possible.

It should be noted that the annual quota for Australia, which is at present the only means by which Australian business men may enter the United States for any extended period in connection with their business, only numbers a hundred and twenty-one and is at the present time filled by applicants for at least two years ahead.

It should be further noted that business between the United States of America and Australia is steadily increasing from year to year, and now amounts to very considerably over 250 million dollars per annum.

There is no restriction of any kind on American business men entering the Commonwealth of Australia and staying in that country as long as may be necessary for them to conduct and complete their business; and at the present time there are considerably over one thousand American citizens resident in the Commonwealth of Australia taking part in such business relations.

It is now desired to learn whether there is any possibility of this matter being brought before Congress during the session about to commence, with a view of obtaining some amendment of the Immigration Act of 1924 which will permit Australian business men to enter for bone fide business purposes without restriction as to the length of their stay in the United States, and also whether any further information is required from Australia in connection with this matter.

AUSTRIA

NEGOTIATIONS RESPECTING SUBORDINATION OF THE AUSTRIAN RELIEF LOAN TO A PROPOSED NEW AUSTRIAN LOAN¹

863.51/838

The Minister in Austria (Washburn) to the Secretary of State

No. 1508

VIENNA, August 30, 1927.

[Received September 19.]

SIR: In closing my despatch No. 1258 of December 30th, 1926,² I observed, I have the honor to report, that I anticipated that during the second half of 1927 the Federal Government would seek to float another loan for strictly productive investment purposes. This prophecy is now in the process of fulfillment. I do not cite it as an evidence of perspicacity. The facts upon which it was based were more or less common property.

Before the Austrian Government can contract a new federal loan or pledge its revenues for such a loan, the consent of three organs is necessary, to wit:

- (1) The Austrian Control Committee, made up of representatives of the States guaranteeing the external reconstruction loan of 1922 and 1923;
- (2) The Reparation Commission;
- (3) The States having prior liens on Austria because of relief credits, among whom is the United States.

There have been persistent rumors that the Chancellor will go to Geneva to attend the September League meeting in connection with the new loan. He tells me today that the rumor is unfounded. He at no time has considered such a possibility. He is going to Germany very shortly to deliver some lectures, to be absent about a week, but Switzerland is not on his itinerary. Dr. Schüller, of the Foreign Office, who is now in Switzerland on leave, will be in Geneva and it is considered quite probable that he will undertake to discuss the matter of a new federal loan with the Financial Committee of the League and seek to enlist its coöperation or goodwill. The Austrian Control Com-

¹ For previous correspondence regarding American participation in Austrian relief, see *Foreign Relations*, 1920, vol. 1, pp. 235-295 *passim*, and *ibid.*, 1922, vol. 1, pp. 613 ff.

² Not printed.

mittee will meet in the middle of October in London and there the serious work will really begin. Minister of Finance Kienböck will be on hand. The Chancellor tells me that he is not yet decided whether he will go or not.

Assuming that the Control Committee will be sympathetic, as it is hoped, the next appeal will be to the Reparation Commission and to the relief credit States. In my despatch No. 1037 of May 10th, 1926,³ I enclosed the Joint Resolution of Congress, approved April 6th, 1922,⁴ authorizing for a period not to exceed twenty-five years the extension of the time for the payment of the principal and interest of the debt incurred by Austria for the purchase of flour from the United States Grain Corporation. I also enclosed the notice of the action of the Secretary of the Treasury pursuant to the authority conferred under this Resolution and the relevant Decision of the Reparation Commission, No. 2400. In this connection the question may presently arise as to what affirmative action must be taken by the United States as one of the relief credit nations in order to facilitate a new Austrian federal loan. In the event it should be deemed advisable to take any action whatever, will a new enabling act of Congress be necessary or may the Secretary of the Treasury, under authority of the Joint Resolution herein-before referred to, subordinate the lien of the Austrian Relief Bond Series B of 1920, issued to and held by the United States of America on account of food purchased from the United States Grain Corporation for relief purposes, to a new Austrian federal loan providing said new loan matures within the twenty-five year period mentioned in the Joint Resolution, No. 460 of April 6th, 1922? I may say that it is proposed that the new loan shall mature within this period just mentioned.

As to the amount of the new loan, assuming that the necessary permission can be obtained, I find on reference to my despatch No. 1076 of June 16th, 1926,³ that an additional loan of 200,000,000 schillings was then contemplated. The new investment program is more ambitious. It is proposed not only to continue the electrification of the railroads, which is now underway, and the further extension of underground cables for telephones, but also to reconstruct federal public highways, which are in a bad state of repair, and to extend quasi-public utility agricultural enterprises, such as dairies. For this program, the Chancellor tells me that it is hoped to secure a new loan approximating ninety million dollars. The details will be worked out between now and the middle of October for presentation to the Austrian Control Committee and as soon as available I will forward them to the Department.

³ Not printed.

⁴ 42 Stat. 491.

I get the impression that the actual loan flotation will hardly be attempted before the spring of 1928. Many hurdles must be taken. Meanwhile, as has been intimated to me on several occasions recently, the Austrian Government would greatly appreciate it if the competent law officers of the American Government would investigate in a preliminary way the question as to what action is necessary by the United States to subordinate its existing lien to a contemplated new Austrian federal loan for the purposes indicated. It is assumed, of course, that other creditor nations will take favorable action. The outstanding external reconstruction loan, to which the United States has already subordinated its lien, is in the amount of \$130,000,000.

I have [etc.]

ALBERT H. WASHBURN

863.51/839 : Telegram

The Minister in Austria (Washburn) to the Secretary of State

[Paraphrase]

VIENNA, September 20, 1927—10 a. m.

[Received September 20—8:25 a. m.]

54. The Chancellor has officially and urgently requested me to report that he would appreciate very much an early reply to the question on pages 3 and 4^e of my despatch No. 1508 of August 30th. The reasons for the urgency of the request are connected with the meeting of the Austrian Control Committee in London on October 11th. Further details are given in my despatch of this date.

WASHBURN

863.51/840

The Minister in Austria (Washburn) to the Secretary of State

No. 1532

VIENNA, September 20, 1927.

[Received October 1.]

SIR: Supplementing my telegram No. 54 of today, 10 a. m., I have the honor to report that the Chancellor asks me officially and urgently to lay before my Government the request of the Austrian Government for an early answer to the question as to what action is necessary for the United States to subordinate its relief credit lien to a proposed new Austrian Federal Loan.

1. May the Secretary of the Treasury under authority of the Joint Resolution of Congress approved April 6, 1922, (U. S. Stat. Vol. 42, Part I, Chap. 124, page 491), subordinate the lien of the Austrian Relief Bond Series B of 1920, issued to and held by the United States

^e The 3d and 5th paragraphs of the preceding despatch.

of America on account of food produced [*purchased?*] from the United States Grain Corporation for relief purposes, to a new Austrian Federal Loan, providing such new loan matures within the twenty-five year period mentioned in the Joint Resolution just referred to; or

2. Will a new enabling act of Congress be necessary to enable the Secretary of the Treasury, in his discretion, to take the desired action?

These queries are propounded on pages 3 and 4 of my despatch No. 1508 of the 30th ultimo, to which reference is hereby made.

The reason for the Chancellor's urgency is this: It seems to be confidently anticipated that favorable action will be taken by the Austrian Control Committee, which is scheduled to meet in London on October 11. Speedy action seems also to be awaited from the Reparations Commission. It is further my understanding, confirmed by the Chancellor, that the Relief Credit states, save the United States, have established a Relief Credit Committee composed in the main of their accredited ambassadors and ministers in London,⁷ and it seems to be expected that this Committee will act as a unit, and with a minimum of delay. These three organs just mentioned are referred to on page two of my despatch under reference.

If the Secretary of the Treasury has ample authority to act under the Joint Resolution of April 6, 1922, the Austrian Government will seek a twenty year loan to bring it within the twenty-five year period mentioned in the Congressional Joint Resolution. If further Congressional action be necessary, the Austrian Government will seek a thirty year loan. It therefore greatly desires to have its proposals definitely matured and ready for submission first to the Austrian Control Committee around the middle of October. In other words, its election for a twenty or thirty year bond term will hinge upon the answer to the question as to whether or not the Secretary of the Treasury may act under the Joint Resolution of April 6, 1922. It is recognized here that an application to Congress for a new enabling act would inevitably involve a delay which it is desired to avoid if possible. All this, of course, is predicated upon the theory that the other interested creditor nations enumerated in the proviso of the before mentioned Joint Resolution, in so far as their assent is now necessary, will take early favorable action. I am told that no difficulties are anticipated and that the way has been already prepared. In any event the attitude of the other creditor states will presently be disclosed. There is a little anxiety here, inasmuch as separate action must be taken by the United States, lest delay in Washington may result in Austria not being able to float a loan at the most propitious moment. It is represented to me that M. Dubois, the Swiss Chairman of the Finance Committee of the League, has intimated to Austrian experts

⁷ See *Foreign Relations*, 1924, vol. I, pp. 127 ff.

that he has already broken ground with the firm of J. P. Morgan & Co., and there is a feeling of optimism here that the Morgan firm is disposed to take a large participation share in the flotation syndicate to be formed. I am not in a position to express an opinion as to whether this optimism is justified. I do know that the Austrian Minister at London, Baron Georg Franckenstein, is about to go to the United States as a guest of members of the Morgan firm (Messrs. Morgan and Lamont, as the Chancellor tells me). The story, as I hear it, is that Mr. Montagu Norman⁸ . . . established contacts for him with Mr. Morgan and his partners. The invitation followed. The Austrian Minister sails tomorrow, I believe, for a three weeks' visit, and will be in the United States at an opportune moment around the middle of October, when it is anticipated that the necessary sanctions will have been obtained or assured. Franckenstein, so Dr. Seipel informs me, does not go to the United States with any power of attorney whatever. There have been printed reports this last week (the *Stunde* had an article on Thursday the 15th, and the *Neues Wiener Journal* on Friday the 16th) to the effect that an "Austrian personality", whose identity does not seem to have been discovered, is about to sound the big New York banks in the matter of a federal loan. The *Neues Wiener Journal* says that negotiations are pending for a 120 million dollar loan for Austria, a 50 million dollar loan for Bulgaria and a 45 million dollar loan for Greece.

In this connection, the investment program referred to on page 4 of my before mentioned despatch No. 1508, which will be presented to the Austrian Control Committee on October 11, is herewith enclosed.⁹ This document contains:

I. An expose of the Austrian Federal Household for the years 1923-27;

II. Investment requirements for the years 1928-32;

III. An analysis of the Reconstruction Loan;

IV. A table showing the amount of bonds issued in liquidation of outstanding obligations.

This exhibit can hardly be further profitably summarized, but it should prove a useful aid to the State and Treasury in passing upon questions relating to the new proposed loan. It will perhaps be helpful in any exhaustive study of this matter, to compare annex I (Expose of the Austrian Federal Household for the year[s] 1923-27) with some of the tables given in my despatch No. 1120 of July 31, 1926,¹⁰ reviewing the Zimmermann Control. Exhibit 1 is so far a confidential document. It is not desired that any publicity be given

⁸ Governor of the Bank of England.

⁹ Enclosure not printed.

¹⁰ Not printed.

to it before it has been submitted to the Austrian Control Committee. I have supplied a copy of it to the Commercial Attache, and he will presumably forward it for the information of Commerce.

At the present moment it has not yet been decided whether the investment program will provisionally extend for three years or five years. The plan is drawn to cover a period of five years. It is proposed that the bonds be issued in annual instalments to cover the year's need. If the entire loan can presently be floated at a favorable interest rate for a five year period, this course will be followed. On the other hand, if the conditions of emission are not altogether favorable, the program will be curtailed to provide provisionally for three years only, with the thought of securing later on better terms for the needs of 1931 and 1932.

I have [etc.]

ALBERT H. WASHBURN

863.51/839

The Secretary of State to the Secretary of the Treasury (Mellon)

WASHINGTON, September 24, 1927.

SIR: I have the honor to inform you that the Department of State has received a confidential telegram from the American Minister at Vienna reporting that the Austrian Chancellor had officially and urgently asked him to telegraph requesting an early reply to his request reported on pages three and four of the Minister's despatch No. 1508 of August 30; namely, that the competent law officers of the American Government should investigate in a preliminary way the question as to what action is necessary by the United States to subordinate its existing lien to a contemplated new Austrian Federal loan. The Minister added that in a despatch dated September 20 he was reporting the detailed reasons for the Chancellor's request which are connected with the meeting of the Control Committee in London on October 11.

A copy of despatch No. 1508 of August 30 is enclosed ^{10a} for your information and for such comment as you may care to make. You will note that the Austrian Chancellor's present request is for an interpretation of the authority of the Secretary of the Treasury under the Joint Resolution of Congress, approved April 6, 1922, authorizing the extension for a period of not to exceed 25 years of the time for the payment of the principal and interest of the debt incurred by Austria for the purchase of flour from the United States Grain Corporation.

I have [etc.]

For the Secretary of State:

W. R. CASTLE, Jr.

Assistant Secretary

^{10a} *Ante*, p. 442.

863.51 Relief Credits/3

The Minister in Austria (Washburn) to the Secretary of State

No. 1573

VIENNA, *October 17, 1927.*

[Received October 31.]

SIR: With further reference to my telegram No. 54 of September 20, 10 a. m., and my despatch No. 1532 of the same date, I now have the honor to enclose the original, with copies, of a communication received on the 14th instant from the Chancellor, embodying a formal request to the Government of the United States of America to grant the suspension of the lien and the postponement up to the 31st of December, 1927, of the payments due for the Relief Credit accorded to Austria in the amount of about 24 million dollars, plus interest. It will be observed that the request is for a thirty-year suspension, which would of course require congressional sanction. Nevertheless Dr. Schüller told me the day before his departure for London that whilst he proposed to proceed upon the theory that the new bond issue would mature in thirty years yet it still remained true that if it were found that our Secretary of the Treasury could act without further authority under the Joint Resolution of April 6, 1922, he would strongly urge that negotiations be conducted on the twenty-year basis.

The annex referred to in the Chancellor's letter was transmitted with my despatch under reference.¹¹

I have [etc.]

ALBERT H. WASHBURN

[Enclosure]

*The Austrian Chancellor (Seipel) to the American Minister (Washburn)*¹²

EXCELLENCY: The "Comité de Contrôle des Etats garants pour la reconstruction de l'Autriche" (Committee of Control of the Guarantor States for the Reconstruction of Austria) have at the request of the Austrian Government consented in their meeting held in London on October 12th, 1927, to the conclusion on the part of the Austrian Republic of an investments loan to yield an amount of 725 million Schillings.

This decision was based on a statement of the Austrian Government on Austrian revenue and expenditure during the years 1923-1927; on the sums required for capital expenditure (investments) from 1928 to 1932; and on the actual state and the use made of the Austrian Government Guaranteed Loan 1923-1943. I have the honour to annex to these presents three copies of the said statement for information.

¹¹ Annex not printed.

¹² Undated; received at the American Legation in Vienna on Oct. 14, 1927. The original document is in English.

The following points of the contents of the statement seem to me to require special mentioning:

The current administration of Austrian Federal Finance resulted in a deficit only in the first year of reconstruction, i. e. in 1923, while in the subsequent years fairly considerable surpluses were obtained. Therefore, the total deficit shown in the years from 1924 onwards, represents such part of capital expenditure only as was not covered by ordinary revenue, and, consequently, had to be defrayed out of the yield of loans. Thus Austria succeeded, thanks to the magnanimous support it received from all the nations participating in the work of its reconstruction, to save its finances from utter ruin and to establish the permanent equilibrium of the budget. Moreover, a large portion of the purely productive capital expenditures was covered by current revenue, so that the proceeds of the reconstruction loan set apart for such capital expenditure, will be sufficient up to the first months of 1928. Now, as is also shown by the enclosed statement on the use of the said loan, the sums disposable under this heading are almost exhausted. Only a sum of approximately 26 million Schillings is left for capital expenditure in 1928. The great works of reconstruction Austria undertook with the help of funds drawn from the reconstruction loan, in the first place the installation of electric traction on the Federal Railways, and the laying of long distance telephone cables, both of them works of highest importance to making Austria's balance of payments active, must be continued and completed, if the result aimed at, namely to secure for Austria's economy a permanent adequate position in the ensemble of the various European economies, is to be attained.

My Government therefore finds itself obliged to proceed to the issue of an investments loan for which the basis is given through the said decision taken by the Committee of Control in accordance with Article 7 of Protocol II dated Geneva October 4th, 1923 [1922].¹³

To be able, however, to contract the loan under suitable conditions, Austria requires her assets to be freed from the lien imposed upon them under the terms of Article 197 of the Treaty of St. Germain¹⁴ for purposes of reparation, as well as under the terms of the relief bonds issued by Austria for the relief credits granted to it. Likewise a further postponement for this purpose is required of the payments to be made in accordance with the stipulations of these bonds.

My Government has at the same time addressed to the Reparation Commission the request to defer in favour of the intended loan and for a period of 30 years i. e. up to 31. december, 1957, the charges laid upon all the assets and revenues of Austria by virtue of Article

¹³ For text of protocol, see League of Nations, *The Financial Reconstruction of Austria* (C.568.M.232.1926.II), p. 139.

¹⁴ Malloy, *Treaties*, 1910-1923, vol. III, pp. 3149, 3216.

197 of the Treaty of St. Germain. It now ventures to ask also the Government of the United States of America to grant the suspension of the lien, and the postponement up to 31 december, 1957, of the payments due for the relief credit granted to Austria to the amount of about 24 million Dollars plus interest.

In view of the nature of the proposed investments my Government deems it indispensable that the loan to be contracted should be for 30 years at least, lest in the next few years that are devoted to further reconstruction work, Austrian economy be charged with too heavy obligations for the repayment of the loan.

In bringing the above request of my Government to your knowledge, I should be greatly obliged if Your Excellency would kindly forward it to the Government of the United States and advise me, at the earliest possible date, of the decision taken by them in the matter.

I avail myself [etc.]

SEIPEL

863.51/839

The Secretary of State to the Secretary of the Treasury (Mellon)

WASHINGTON, October 18, 1927.

SIR: I have the honor to transmit for your information a memorandum report¹⁵ of a conversation in which the Austrian Minister indicated that his Government wishes to know whether the Secretary of the Treasury has power without further authorization by Congress to extend for an additional period of five years the time of payment of the debt incurred by Austria for the purchase of flour from the United States Grain Corporation.

I am transmitting to you this informal inquiry in view of your possible interest in considering it jointly with the cognate inquiry of the Austrian Chancellor communicated to you by this Department's letter of September 24, 1927.

I have [etc.]

For the Secretary of State:

W. R. CASTLE, Jr.

Assistant Secretary

863.51 M 82/-

Mr. R. C. Leffingwell of J. P. Morgan & Co. to the Secretary of State

NEW YORK, October 18, 1927.

[Received October 19.]

DEAR MR. SECRETARY: Confirming my statement over the telephone, the Austrian Government has in contemplation the flotation of a

¹⁵ Not printed.

loan or loans in the amount of 775,000,000 schillings or about \$110,000,000. The purpose of the loan is to provide funds which, with some contribution from current revenues, are estimated to suffice for the completion of a five year program for the electrification of the Austrian railways (which was set under way from the proceeds of the Austrian reconstruction loan of 1923 and from budget surplus), for the erection of telephone cables and the improvement of highways, etc. It is intended that the loan be offered in this country and in England and in the important Continental markets to evidence international solidarity in behalf of Austrian reconstruction.

We have been asked by the Austrian Government to issue the loan in this country and we have indicated our willingness in principle to study the matter, but it is still in its preliminary stages and nothing has been settled.

The loan has already received the tentative approval of the Committee of Guarantor States which guaranteed the Austrian loan of 1923. The Trustees of that loan have been informed of the project and have expressed their wish to be kept advised. We understand the proposal will also be submitted to the Reparations Commission.

It is proposed that the new loan be secured by a second lien, subject only to the loan of 1923, on Austrian customs and tobacco receipts and on such other revenues as may be necessary, and that reparations and relief claims be subordinated to it and postponed until after its repayment, as in the case of the loan of 1923.

There will doubtless be presented to you by the Austrian Government in due course, if indeed it has not already been done, a request that, as in the case of the loan of 1923, Congress subordinate the relief lien of the United States to the second charge now proposed to be granted and postpone its relief claim for a period extending beyond the maturity of the new loan, which would be say twenty-five or thirty years from the date of issue. There will also arise the usual question whether for any reason the Department of State interposes any objection to the proposed loan.

I do not mean by this letter to ask for a ruling from the Department of State on a question which will thus be presented to it through official channels. My purpose in telephoning you, and in writing you in this detailed manner in accordance with your request, is only, as always, to keep the Department promptly advised of foreign loans in contemplation.

For convenience of reference I enclose a copy of the decisions taken last week by the Committee of Guarantor States and the Trustees of the loan of 1923; of the joint resolution of Congress approved April 6, 1922,^{15a} and the announcement of the Secretary of the Treasury con-

^{15a} For text of the resolution, see 42 Stat. 491.

cerning his action thereunder;¹⁶ and of the prospectus of the loan of 1923.¹⁷

I am [etc.]

R. C. LEFFINGWELL

[Enclosure 1]

The President of the Committee of Guarantor States (Alberti) to the Austrian Minister of Finance (Kienböck)

OCTOBER 12, 1927.

SIR: The Committee of Guarantor States have considered the request of the Austrian Government for their approval under the Geneva Protocol II, of a new Austrian Loan for productive capital works. They have had the advantage of receiving in addition to the written memoranda furnished to them, verbal explanations from the representatives of the Austrian Government. They have also had the advantage of consultation with the Trustees of the Austrian Guaranteed loan 1923.

The Committee have been informed that the Austrian Government do not propose to raise any other foreign loan during the period of five years covered by the present loan programme; and that it is the intention of the Austrian Government to apply to the proposed loan, some part of which will be raised in Austria itself, the principle recommended in 1924 by the Financial Committee of the League of Nations that revenue producing undertakings such as the post, telegraphs and telephones, and the railways, will recoup to the Austrian Treasury the charges for interest and amortization on such part of the proceeds of the loan as may be allocated to them.

They understand that the Austrian Government will further make available for productive investments during the five years 1928-1932 inclusive certain sums out of the current Budget revenue.

The Austrian Government will further make such written application to the Trustees of the guaranteed loan 1923 as may be necessary under the terms of the general bond of that loan: and they propose in due course to apply to the Reparations Commission and the States holding Austrian relief bonds for the necessary assents of those authorities.

In these circumstances the Committee of Guarantors acting on behalf of the States whom they represent, raise no objection in principle to the issue by the Austrian Government of a loan for an effective sum not exceeding 725,000,000 shillings for the revenue producing purposes of the Post Office and Railways indicated in the statement submitted to the Committee, and have authorized their

¹⁶ Treasury Department press release, dated June 9, 1923, not printed.

¹⁷ Not printed.

President, when the actual terms of the issue are communicated to him by the Austrian Government, to give on behalf of the Committee their final approval under Article 7 of the Protocol.

I am [etc.]

[MARIO ALBERTI, M. P.]

[Enclosure 2]

Declaration of Trustees of the Austrian Loan of 1923

The Trustees have heard the interesting exposé made by the Austrian delegation and taken note of the statements made by Doctor Schuller concerning the projected loan; as regards this loan the Trustees consider that they are not concerned to express an opinion unless they consider that the projected loan is likely to be prejudicial to the Austrian Government guaranteed loan 1923/43. Therefore, when the terms and conditions of the loan are further advanced the Trustees will be notified in time to enable them to consider whether these are prejudicial to the interests of the bondholders of the Austrian Government guaranteed loan 1923/43.

863.51/851

The Secretary of the Treasury (Mellon) to the Secretary of State

WASHINGTON, October 21, 1927.

MY DEAR MR. SECRETARY: Receipt is acknowledged of the letter of Assistant Secretary Castle (EA 863.51/839), dated October 18, 1927. It is stated therein that the Austrian Government wishes to know whether the Secretary of the Treasury has power, without further authorization by Congress, to extend for an additional period of five years the time of payment of the debt incurred by Austria for the purchase of flour from the United States Grain Corporation.

If such authority is vested in the Secretary of the Treasury it must be derived from the Joint Resolution of Congress of April 6, 1922, c. 124, 42 Stat. 491. By the terms of this Resolution the Secretary of the Treasury was authorized "to extend, for a period not to exceed twenty-five years, the time of payment of the principal and interest of the debt incurred by Austria for the purchase of flour from the United States Grain Corporation and to release Austrian assets pledged for the payment of such loan, in whole or in part, as may in the judgement of the Secretary of the Treasury be necessary for the accomplishment of this Resolution: . . ."¹⁸ By virtue of this authority the time of payment of the debt was extended to June 1, 1943, and the lien given the United States by Austrian Relief Bond No. 1, Series "B" of 1920, which it holds, was subordinated to

¹⁸ Omission indicated in the original letter.

the Austrian Government guaranteed twenty-five year loan maturing in 1943.

In response to my request of the Attorney General for his opinion as to whether under the Joint Resolution the Secretary of the Treasury might in his discretion further subordinate to the proposed new Austrian Federal Loan the lien given the United States by the terms of the Austrian Relief Bond No. 1, Series "B" of 1920, he stated that "the Secretary of the Treasury has no power to act further under this Resolution" ¹⁹ A copy of the opinion of the Attorney General, dated October 15, 1927, was transmitted to you by this Department under date of October 18, 1927. ²⁰ The basis given by the Attorney General for his opinion is that "There is nothing in the Resolution to indicate that the authority given the Secretary of the Treasury was to be a continuing one or was to be exercised after the lapse of years and under changed conditions."

In my judgment the reasoning of the Attorney General in his opinion above referred to necessarily leads to the conclusion that without further authorization by Congress the Secretary of the Treasury has no authority to further extend the time of payment of the debt incurred by Austria for the purchase of flour from the United States Grain Corporation.

Very truly yours,

A. W. MELLON

863.51/847 : Telegram

The Acting Secretary of State to the Minister in Austria (Washburn)

WASHINGTON, October 28, 1927—11 a. m.

20. Your 54, September 20, 10 a. m. and despatch 1532, September 20. In opinion of law officers of this Government, the Secretary of the Treasury has no power to act further under the Joint Resolution approved April 6, 1922, and a new enabling act of Congress would be necessary to enable him to take the suggested action.

OLDS

863.51/859

The Minister in Austria (Washburn) to the Secretary of State

No. 1585

VIENNA, October 29, 1927.

[Received November 14.]

SIR: I have the honor to acknowledge receipt of the Department's telegram No. 20 of October 28th, 11 a. m., in response to my telegram No. 54 of September 20th, 10 a. m. and despatch No. 1532 of the

¹⁹ Omission indicated in the original letter.

²⁰ Not printed.

20th ultimo, advising me in substance that in the opinion of the Attorney General the Secretary of the Treasury has no power to act further under the Joint Resolution approved April 6th, 1922 and that a new enabling act of Congress will therefore be necessary to enable him to take the action desired by the Austrian Government. I am today advising Chancellor Seipel in the sense of the foregoing. Especially in view of the formal request contained in my despatch No. 1573 of the 17th instant, it is superfluous to emphasize the desire of the Austrian Government for a new congressional enabling act and I am taking it for granted that the Department will at the proper time take appropriate action.

The decision set forth in the Department's telegram under reference makes it certain that the new loan will be on a 30-year basis, though Minister of Finance Kienböck told me only yesterday that if the Secretary of the Treasury were free to act under the Resolution of 1922 and cared to exercise his discretion, a shorter term would be most seriously considered. The Austrian Government had not definitely committed itself, though the discussions in London and Paris had proceeded on the 30-year theory. Dr. Kienböck intimated that he expects shortly favorable action from the Reparation Commission and that the negotiations with the Relief Credit Committee, acting for the Relief Credit states, of which the Englishman, Leith Ross is chairman, vice Niemeyer, are proceeding satisfactorily. I will of course keep the Department informed of developments.

In this connection I am enclosing herewith translations of two articles from the "Wiener Boersen-Kurier" of the 17th and 24th instant dealing with the loan flotation.²¹

I have [etc.]

ALBERT H. WASHBURN

863.51/859

The Secretary of State to the Secretary of the Treasury (Mellon)

WASHINGTON, November 28, 1927.

SIR: With reference to this Department's letter of November 18,²¹ which transmitted a copy of the formal request of the Austrian Government to the United States Government²² to grant postponement up to December 31, 1927, of the Austrian bond held by the United States Treasury, I have the honor to transmit for your information a copy of despatch No. 1585, dated October 29, 1927, from the American Minister at Vienna,^{22a} with its enclosures, regarding the contemplated new Austrian loan.

²¹ Not printed.

²² See note from the Austrian Chancellor to the American Minister in Austria, p. 448.

^{22a} *Supra*.

You will note the Minister's statement that he is taking it for granted that the Department will at the proper time take appropriate action to obtain a new Congressional Enabling Act. The Department's only communication to the Minister on the matter has been that quoted in the Department's letter to you of November 18 to the effect that a new Enabling Act of Congress would be necessary.

I should be pleased to receive any comment you may care to make on this matter.

I have [etc.]

For the Secretary of State:

W. R. CASTLE, Jr.

Assistant Secretary

863.51 Relief Credits/7

The Minister in Austria (Washburn) to the Secretary of State

No. 1629

VIENNA, November 30, 1927.

[Received December 16.]

SIR: I have the honor to report that I have recently had conference with the Chancellor and Dr. Schüller, and I am enabled to state that the Austrian Government is on the verge of abandoning that part of its request contained in the Chancellor's letter to me transmitted with my despatch No. 1573 of October 17th, 1927, which has to do with the extension up to the 31st of December, 1957, of the time of payment of the principal and interest of the debt incurred by Austria for the purchase of flour from the United States Grain Corporation, leaving only to be dealt with by congressional resolution its request for the release of Austrian assets pledged for the payment of said debt, so as to subordinate them to the new contemplated federal loan. In stating this amended desire of the Austrian Government I have followed rather the phraseology found in the Joint Resolution of Congress approved April 6th, 1922, a copy of which was transmitted with my despatch No. 1037 of May 10th, 1926.²³

Schüller is leaving today for London to attend the sessions of the Relief Credit Committee which meets on the 2nd proximo, and he will there make his amended announcement in harmony with the foregoing. The Austrian Government now has to all intents and purposes a postponement of its various relief credits until 1942 and upon further reflection it apparently deems it more prudent not to complicate matters by asking for a further postponement until 1957, as contemplated by the Chancellor's letter above mentioned. It does

²³ Not printed.

desire that Austrian assets pledged to the relief credits be released and subordinated in the manner indicated.

Secondly, Schüller has been authorized formally to state to the Relief Credit Committee in London that as soon as the new federal loan has been floated the Austrian Government desires to take up the question of entering into a general funding arrangement for the entire relief credits which amount to about £25,000,000. All the outstanding relief credit bonds provide that the terms of payment shall be the same in all cases and Austria must therefore make the same arrangement with the United States as is made with the other relief credit states. Schüller says that it is to the advantage of Austria to take up the question of a debt settlement at an early date and not wait until 1942. He has stated this to me before, as I have elsewhere reported. It is obvious that he hopes to eliminate or greatly curtail the payment of interest which is now technically running. Austria anticipates, as I gather, that her situation lays the foundation for the hope that she will receive at least as favorable treatment from the United States as Italy did. It is plain to me that the Austrian Government is especially anxious that the relief credit debt settlement shall not be harnessed up in any way with the new loan. If, as the Chancellor explained to me, the two matters were considered together, the Austrian public would deem the conditions too onerous. They would lump the interest and amortization charges of the new loan and the relief credit settlement together. Schüller goes so far as to say that the new loan would have to be abandoned. There have been apparently some disquieting rumors, traceable to banking circles in London and Vienna, to the effect that our Treasury Department or Congress might stipulate a relief credit settlement before taking favorable action upon the desired release of Austrian assets. Schüller does not want to appear to be forced into making an arrangement which he asserts his government desires to make voluntarily.

It is my understanding that Minister Prochnik has not been advised by cable of these developments, though he has recently had some telegraphic instructions about the disposition of alien property. I am therefore taking the precaution of briefly informing the Department of the existing situation by wire.

The government here seems to regard it as assured that J. P. Morgan & Company will undertake to float the new issue and that it will be the only firm with which the Austrian Government will directly deal, though a syndicate will doubtless be formed. I get the impression that the advice of Morgan and Montagu Norman will be followed throughout.

I have [etc.]

ALBERT H. WASHBURN

863.51 Relief Credits/6 : Telegram

The Minister in Austria (Washburn) to the Secretary of State

VIENNA, December 2, 1927—11 a. m.

[Received December 2—10:02 a. m.]

66. Enclosure 1 to my despatch 1573, October 17. Austrian Government abandons its request for extension until 1957 of time of payment of principal and interest, leaving only its request that assets pledged for payment of the United States Grain Corporation Loan may be subordinated to contemplated new Federal loan. See joint resolution of Congress April 6th, 1922, transmitted with my despatch No. 1037, May 10, 1926.²⁴ Explanatory despatch 1629 mailed 30th ultimo.

WASHBURN

863.51 Relief Credits/1

The Austrian Minister (Prochnik) to the Secretary of State

No. 2423/70

WASHINGTON, December 6, 1927.

EXCELLENCY: The Federal Government of Austria after having with the proceeds of a loan, the so-called League of Nations Loan, successfully completed the reconstruction of its public household and finances, by stabilizing the country's currency, balancing the budget and accomplishing other measures provided for in an exhaustive restoration plan, is now anxious to likewise restore with the aid of a second loan private economics and business to a state of normalcy. In fact, my Government realize that the latter is an essential requisite for assuring a lasting duration of the first success.

Before the first referred to loan could be issued it was necessary that all countries holding a first lien on Austria's assets for relief credits defer this lien for a period of 20 years (the time fixed for the repayment of the said loan).

Also the United States of America, as Your Excellency are aware of, deferred with authorization of Congress (Lodge Resolution) their lien for twenty years, beginning from 1923.

As long as the relief credits are still outstanding against Austria, a similar action would be required to enable the issue of a second loan. With other words the Federal Government of Austria face the necessity of approaching the creditor nations again with a request for a further 10 year extension of the aforementioned period of deferment.

My Government, however, came to the conclusion that a settlement of the relief credits would be preferable to a further extension of

²⁴ Not printed.

the lien and is proposing to all creditor nations the following funding plan, which I am likewise authorized to submit to Your Excellency.

This plan in its original construction provides for a refund of the relief credits (capital and interest) within forty years (beginning 1928) on a rising scale (with lowest equal yearly instalments in the first five years and highest equal yearly instalments in the last 25 Years).

But certain technical difficulties necessitated a change in this original plan. An opinion rendered by experts considers payments on relief credits prior to 1943 as contrary to the wording and spirit of the agreement entered upon by the Austrian Government in connection with the League of Nations Loan.

To overcome this technical obstacle, the Federal Government of Austria propose, that a debt funding would be agreed upon along the aforementioned line, that actual payments, however, would not be made before 1943, and that from this time on the whole debt (capital and interest) should be paid in 25 equal yearly instalments, and that these instalments should also include an amount corresponding to the loss on interest which the creditors suffered by non-payment of agreed upon instalments due prior to 1943.

Your Excellency would greatly oblige me by notifying me at your earliest possible convenience whether in principle the Government of the United States would accept to enter negotiations for a settlement of relief credits along aforementioned lines.

Accept [etc.]

EDGAR PROCHNIK

863.51 Relief Credits/6

The Secretary of State to the Secretary of the Treasury (Mellon)

WASHINGTON, December 8, 1927.

SIR: With reference to this Department's letter of November 18,²⁶ transmitting a copy of the formal request of the Austrian Government to the Government of the United States²⁶ to grant the suspension of the lien and the postponement up to December 31, 1957, of the payments due for the relief credit accorded to Austria, I have the honor to transmit for your information a copy of telegram No. 66, dated December 2, 11 a. m., from the American Minister at Vienna,²⁷ reporting that the Austrian Government abandons its request for extension until 1957 of the time of payment of principal and interest, leaving only its request that the lien of the relief bond be subordinated to the contemplated new Austrian loan.

²⁶ Not printed.

²⁶ See note from the Austrian Chancellor to the American Minister in Austria, p. 448.

²⁷ *Ante*, p. 458.

There is also enclosed a copy of telegram No. 447, dated December 3, 6 p. m., from the American Embassy at Paris,²⁸ reporting that the three Austrian questions mentioned in the Embassy's telegram No. 442 of November 22, 1927,²⁹ were not discussed in the meeting of the Reparation Commission December 3, but were adjourned to the next meeting, which will be held on January 14, 1928. A copy of the Embassy's telegram No. 442 was transmitted to you by letter November 25.²⁸

I have [etc.]

For the Secretary of State:

W. R. CASTLE, Jr.

Assistant Secretary

863.51 M 82/1

Mr. R. C. Leffingwell of J. P. Morgan & Co. to the Under Secretary of State

NEW YORK, December 14, 1927.

[Received December 15.]

DEAR MR. SECRETARY: Referring to my letter of October 18th to Secretary Kellogg and to Assistant Secretary Castle's reply of October 22nd,²⁸ and to my talk with you the other day, all about Austria, this is just a line to remind you that discussions are going on in London between the Austrian Government and the European Relief Creditor States, and I understand the suggestion has been made by the Austrian Government that the Department of State might wish to be represented.

Very truly yours,

R. C. LEFFINGWELL

863.51/872

The Minister in Austria (Washburn) to the Secretary of State

No. 1656

VIENNA, December 14, 1927.

[Received December 29.]

SIR: Supplementing my despatch No. 1629 of the 30th ultimo, I have the honor to report as of today the following developments in relation to the flotation of the projected new federal loan. I have been privileged to see some of the confidential files of the Foreign Office in preparing this report.

²⁸ Not printed.

²⁹ Telegram not printed. The three questions were: (1) Austrian restitution agreements and proposed priority over relief bonds; (2) issue of renewal bonds to replace Austrian relief bonds of 1920; (3) proposed new Austrian loan. (File No. 462.00 R 29/4204.)

It became apparent upon the occasion of the meeting of the Relief Credit Committee in London on the 2nd instant, that Austrian official circles had been unduly optimistic and had underestimated some of the obstacles standing in their path. It there developed that the Dutch representative stated flatly that his government desired that some plan for the amortization of and payment of interest on the old relief credits be made as a condition precedent to any action on its part. This was just what Schüller wanted to avoid, as stated on page 3 of my despatch under reference.

As an offset to this request, the bankers (Montagu Norman and Morgan were specifically mentioned) raised the contention that the Austrian Government could not be required to arrange for any relief credit settlement prior to 1943 when the long term reconstruction loan matures. It was asserted that an earlier settlement would contravene the announcement made in the bankers' prospectus at the time the loan just mentioned was floated in 1923, and that the prospectus was based upon the bond contract. I have examined the American prospectus, a copy of which I have in my files, and it does not seem to me to substantiate this contention. The Foreign Office tells me that this was also the opinion of the Austrian Government and Schüller so stated to the bankers, whereupon they replied that if an earlier settlement was not strictly against the letter of the reconstruction bond, it was against its spirit. Inasmuch as the bankers' views quite naturally carry very great weight as intimated in the concluding paragraph of my before-mentioned despatch No. 1629, the predicament which arose was embarrassing. Furthermore, one of the less influential opposition papers, "Der Montag", printed a sensational story on the 5th instant, which attracted some attention, to the effect that the loan had gone on the rocks, mainly because of the opposition of Czechoslovakia. In point of fact, Czechoslovakia is not interested in the relief credits, because it extended none. The Czech Minister here denies that his government is unfriendly. It is nevertheless true that the Austrians believe that the Czechs have been throwing cold water on the loan proposal. Two reasons are given: first, it is said that the electrification of the railways is against Czech interests as it would make Austria less dependent upon Czech coal and, secondly, some proceeds of the new loan were to be devoted, it was announced, to the improvement of Austrian dairies, the Austrian market for milk from Southern Moravia thereby being lessened.

Italy's attitude also created some uneasiness. (See in this connection my despatch No. 1655 of the 12th instant).³⁰ The Italian relief credit delegate suddenly left London for Rome for further instructions after the meeting on the 2nd.

³⁰ Not printed.

Dr. Schüller advised his government from London of the situation and the Relief Credit Committee took an adjournment until Monday, the 12th. The result of all this was that after a Cabinet council Schüller was instructed by telegram on Thursday, the 8th, to make a relief credit settlement proposal. The entire relief credits expressed in Austrian currency amount to 848,000,000 schillings. (This is approximately the equivalent of the £25,000,000 mentioned on page 2 of my despatch No. 1629.) The accrued interest on this amount from now in 1927 up to 1943, the before-mentioned date of maturity of the reconstruction loan, is figured at 152,000,000 schillings, making the total amount due in 1943 approximately 1,000 million schillings. Schüller was authorized to propose that beginning in 1943 the Austrian Government would undertake to pay the amount just mentioned in twenty-five annual instalments of 40,000,000 schillings each. The Austrian Government desires to reserve the right to pay, beginning in 1929 and up to 1943, something on account. It is provisionally proposed, if this right be utilized, to pay at first 10,000,000 schillings annually and subsequently 15,000,000 if the federal finances justify it. In the event payments are thus anticipated, interest at the rate of 8 per cent is to be deducted from the before-mentioned 1,000 million schillings due as of 1943. It is figured out that the estimated interest of 152,000,000 schillings would be greatly reduced and of course the annual instalment beginning from 1943 would be substantially cut down. As I have heretofore reported, the Austrian Government hopes ultimately to avoid paying interest on its relief credits, taking into account their intrinsic character. I think there is some question however whether any advance payments will ever be made. It is hoped nevertheless, by a proposal of this kind, to meet the bankers' views. The Chancellor said to me significantly on Monday that the position of the bankers was helpful to his government.

The fact that the Schüller telegram had been sent was communicated to me on the evening of the 8th by the Finance Minister, Kienböck. I promised however that I would not cable any statement of the situation, which was given me in the strictest confidence, and indeed there was no reason for doing so as it was anticipated that something definite would transpire at the adjourned Relief Credit Committee meeting on Monday, the 12th. This anticipation was realized. The Committee took cognizance of the relief credit settlement proposal as made by Schüller, and stated that it would be transmitted to the various governments represented on the Committee for action. I expect to be able later to transmit the exact formula of this proposal; something, as I understand, that was left to Schüller's discretion. The Committee further passed a resolution authorizing

the subordination to the projected new federal loan for a period of thirty years of the Austrian assets or securities pledged for the repayment of the relief credits. This last action was taken by the Committee although the Dutch and Swiss delegates were without authority to vote affirmatively for the resolution. The Committee apparently had reason to believe that the written assent of the Dutch and Swiss governments would be presently forthcoming. . . . Apparently the fear expressed to me by Dr. Kienböck that parliamentary assent of other countries than the United States might be found to be necessary, proved to be groundless.

The next step will be the proceedings before the Reparation Commission. There has been some reason to apprehend that Rumania would seek to make action here contingent upon the settlement of some controversy which it has with Austria, but I am told that pressure has been brought to bear to keep the former country quiet.

I have [etc.]

ALBERT H. WASHBURN

863.51 Relief Credits/7a

The Secretary of State to the Secretary of the Treasury (Mellon)

WASHINGTON, December 23, 1927.

SIR: With reference to this Department's letter of December 8 and to previous correspondence regarding the Austrian relief indebtedness to the United States and the proposed flotation of a new Austrian loan, I have the honor to transmit herewith a copy of a note of December 6, 1927, addressed to the Department by the Austrian Minister at Washington. I also transmit a copy of despatch No. 1629, dated November 30, 1927, from the American Minister at Vienna on the same subject.

The note of the Austrian Minister makes the specific proposal that an agreement be made at this time for the funding of the relief debt; that actual payments should not begin until 1943; and that from 1943 "the whole debt (capital and interest) should be paid in 25 equal yearly instalments, and that these instalments should also include an amount corresponding to the loss on interest which the creditors suffered by non-payment of agreed upon instalments due prior to 1943". The Austrian Minister stated in conversation on December 5 that the proposed funding of the relief debts was on the supposition that the relief debt creditors will raise no objection to the new loan, and will give it precedence until it is paid off in 1958. The note, however, does not raise this question but inquires only "whether in principle the Government of the United States would accept to enter negotiations for a settlement of relief debt credits along aforementioned lines".

Despatch No. 1629 of November 30 indicates that at that time the Austrian Government desired that the funding of the relief credit bonds and the subordination of the lien of these bonds to the new Federal loan be not considered together. It was apparently the intention of the Austrian Government to propose to the International Relief Bonds Committee meeting at London that the relief creditors subordinate the lien of their bonds and that as soon as the new loan has been floated the question of entering into a general funding arrangement for the relief credits be taken up.

On December 14 the Department was informed by Mr. Leffingwell of J. P. Morgan and Company that discussions were going on in London between the Austrian Government and the European Relief Creditor States. It will be remembered from Reparation Commission Annex 3258 B-1, a copy of which was transmitted to you by a letter of October 21, 1927,³¹ that an International Relief Bonds Committee, representing the Governments of Denmark, France, Great Britain, Holland, Italy, Norway, Sweden and Switzerland met in Treasury Chambers, London, and, on or about July 14, 1927, agreed with the Austrian Government to replace the bonds of Relief Series B of 1920 with renewal bonds maturing January 1, 1943, and bearing 5% interest. You will recall that a secretary of the American Embassy at London attended meetings of this Committee during the last half of 1924. The Department, however, has since that time not been in direct touch with the proceedings of the Committee. It may be noted, in passing, that the settlements which this Committee has negotiated with relief debtors have been much more favorable to the creditor governments than the settlements which the United States has negotiated with its debtors.

The Department has orally assured the Austrian Minister that his formal proposal for the funding of the relief debts would be given prompt consideration by this Department and by the Treasury Department. In this connection, you will note the statement of the Austrian Minister that his Government has made the same proposal to the governments of the eight other relief creditor States.

Since substantial unanimity of action on the part of these governments will be required if the proposed funding is to be carried out, there is no occasion, pending further developments, to consider making at this time any affirmative commitment regarding the eventual attitude of this Government. This Department, however, feels that, if you concur, the Austrian Minister might now be informed that this Government is in principle disposed to consider at this time an arrangement for payment of the relief obligation commencing in 1943, but that it desires a more specific statement of the proposal

³¹ Not printed.

before a further expression of views can be given him. Before addressing any communication to the Minister, however, I shall be glad to have an expression of your views on the subject. I shall also be glad to receive such comment, if any, as you may care to make as to the desirability of the Government of the United States endeavoring to keep in touch with the discussions between the other relief creditor States and the Austrian Government.

For convenience of reference in connection with the general subject, I transmit herewith for your confidential information a copy of Annex 3271 D-2 of the Reparation Commission,²² which contains documents bearing upon the proposed loan, including a statement of "reasons which led the Austrian Government to submit a proposal for authorization to contract a loan to cover capital expenditure".

I have [etc.]

For the Secretary of State:

W. R. CASTLE, Jr.

Assistant Secretary

863.51 M 82/1

*The Under Secretary of State to Mr. R. C. Leffingwell of
J. P. Morgan & Co.*

WASHINGTON, December 23, 1927.

DEAR MR. LEFFINGWELL: I beg to acknowledge the receipt of your letter of December 14 stating that discussions are going on in London between the Austrian Government and the European Relief Creditor States. With reference to your statement that the suggestion has been made that this Government might wish to be represented in these discussions, I may say this Department has received no suggestion from the Austrian Government or from any of the Creditor States that it should participate in or keep in touch with these discussions.

Thanking you [etc.]

ROBERT E. OLDS

863.51/876

The Minister in Austria (Washburn) to the Secretary of State

No. 1664

VIENNA, December 28, 1927.

[Received January 23, 1928.]

SIR: With further reference to my despatch No. 1656 of the 14th instant, in relation to the projected new federal loan, I have the honor to report that following Dr. Schüller's return to Vienna at the end of last week I had a brief conference with him on Saturday last

²² Not printed.

and a more extended one today. As a result, I find that the facts reported in my despatch under reference were, in the main, correct. They were supplied to me by a Minister Plenipotentiary attached to the Foreign Office who was acting in Schüller's absence.

The latter tells me that at the first meeting of the International Relief Bonds Committee on the 2nd instant, he announced the willingness of his government to proceed promptly to some funding arrangement for the old relief credits, but again emphasized Austria's great desire, as I have heretofore reported, to disassociate this funding arrangement from the new loan negotiations. The various members of the Committee, according to Schüller, expressed their sympathetic understanding with this attitude, but added in substance: "You state that you are willing to make some funding proposal. Can't you give us some hint of what this proposal is to be before we take action on your request to subordinate to the new loan the securities pledged to the old relief credits?" Furthermore, the position of the Dutch representative, set forth on page 2 of my despatch under reference, was not lost on Schüller. He thereupon outlined his idea of a funding proposal, a synopsis of which he cabled Minister Prochnik. He assumes that Prochnik promptly got in touch with the Department. The International Relief Bonds Committee took the adjournment until December 12th, as I have already reported, and Schüller advised his government of what he had done. The result was his telegram of instructions of December 8th, to which allusion was made on page 3 of my despatch No. 1656. These instructions practically embodied Schüller's recommendations. He thereupon made his formal proposal on December 12th, and on December 13th he transmitted it in writing to Prochnik. This time he did not telegraph the latter and presumably the Minister's advice reached Washington almost coincidentally with my before-mentioned despatch No. 1656 of December 14th.

Pursuant to the promise made on page 5 of the despatch just referred to, the following is a copy of the Austrian Government's formal funding proposal submitted as an *aide memoire* to the International Relief Bonds Committee on December 12th:

"The Austrian Government submit the following proposal:

They undertake the obligation of paying from 1943 onward during 25 years 40 million schillings annually, that is to say a total of 1000 million schillings.

The Austrian Government reserve the right to pay from 1929 during five years 10 millions annually and then during ten years 15 million schillings per annum, these sums with 8% compound interest until 1943 to be deducted from the sum of 1000 million schillings.

After having paid off in this way 200 million schillings before 1943 the Government would then have to pay 26.24 millions for 25 years."

In my despatch No. 1656 (page 2) I alluded to the contention of the bankers, Montagu Norman and Morgan, that the Austrian Government could not be required to arrange for any relief credit settlement prior to 1943. This contention, I ascertained upon enquiry, is based upon these statements in the prospectus published by the American bankers when the reconstruction loan was issued:

"By the concerted action of the principal nations of the world, including the United States of America, claims against Austria for relief bond charges have been subordinated to this Loan, and claims for reparation charges have likewise been subordinated by the Reparations Commission."³³

The Reparation Commission, by their Decision dated February 20, 1923, have suspended for the purpose of the Guaranteed Loan, for the period of 20 years and for such further period as may be necessary until the full repayment of the Loan, the lien for reparation charges on any revenues which may be pledged as security for this Loan.

By the concerted action of the principal nations of the world, including the United States of America by a joint Resolution of Congress approved April 6, 1922, liens against Austrian assets created after the Armistice in respect to relief credits, have also been postponed for the period of twenty years."

Before submitting his *aide memoire*, Schüller took the precaution of submitting it to the bankers. Norman gave his approval immediately and Morgan, upon the plan being referred to him in New York, after some days did the same.

I gather that, while members of the International Relief Bonds Committee gave expression to their own opinion approving the Austrian proposal as a basis of negotiation, it was intimated that some alterations would probably be asked for by the governments interested. In fact, I have been permitted to glance through an informal *aide memoire* on this subject which is regarded as a confidential document. Objection was made to supplying a copy to the Reparation Commission on the ground that it was a part of the proceedings of a secret session. The main points of this informal *aide memoire* are:

1. The International Relief Bonds Committee accepts in principle the proposal of the Austrian Government with the understanding that the arrangement will not give rise to any objection by the trustees of the League loan.

2. The total sum to be paid back should approximate 1,250 million schillings and not 1,000 million as proposed. (In this connection, I may say that Schüller informs me that he arrived at the sum of 1,000 million schillings by adding to the 848 million total amount of the principal of the relief credits, the accrued interest up to the

³³ The following omission is indicated in the original despatch.

present time at a low rate of interest. This differs from the understanding of Minister Wildner as reported by me at the bottom of page 3 of my despatch No. 1656.³⁴ The outstanding relief credit bonds, as I understand, carry interest at the rate of 6 per cent, and Schüller admits that on this basis the total amount due would more closely approximate the 1,250 million schillings. He asserts however that the idea of paying any interest upon credits of this character arising out of supplies furnished in time of dire need to feed a starving population is repugnant and that it was never really contemplated that interest would be exacted. He ventures the opinion that Secretary Hoover, having charge of the relief credit operations, never seriously believed in the repayment of the principal, to say nothing of the interest.)

3. The payment of 10 million schillings annually for five years, beginning in 1929, appears to be satisfactory, but for the second period of five years an increase of payments from 15 million to 20 million was suggested. There was some further suggestion that beginning in 1943 the period of annual instalments should, if necessary, be somewhat extended so as to provide for the payment of 1,250 million schillings instead of 1,000 million.

4. Annuities should be made payable in gold schillings.

5. Relief debts should retain their full priority over reparations as now provided.

The Austrian *aide memoire* and the counter *aide memoire* of the International Relief Bonds Committee are regarded as only affording a basis for negotiation. The Austrian Government does not believe that it will be required in the end to pay 1,250 million schillings. Schüller, as I have heretofore reported, feels that his government should get in principle from the United States as favorable treatment as the United States accorded Italy. This, he realizes, is hardly possible because the relief credit settlements must all be on the same basis. The Austrian actuaries have figured out that Italy will pay back in the end about 26 per cent of what she would have been required to pay on any normal interest funding arrangement, whereas the proposal of the Austrian Government as made in the before-mentioned *aide memoire* means, so the actuaries figure, that Austria obligates herself to pay 37 or 38 per cent of the amount for which it would be liable taking into account the 6 per cent rate of interest. On the basis of the Austrian proposal the United States would stand to recover about \$28,000,000 on account of the approximately \$24,000,000 Grain Corporation loan, whereas on the basis of the informal counter proposal of the International Relief Bonds Committee the United States would in the end recover, as I understand, from \$32,000,000 to \$34,000,000. Having the Italian precedent in mind and taking into account the intrinsic character of the original loan, the Austrian Government hopes that the United States will

³⁴ *Ante*, p. 460, par. 5.

not prove to be a hard creditor and will not enhance the difficulties of settlement.

I am enclosing a copy of the resolution of release of securities passed by the International Relief Bonds Committee.³⁵ It requires a little elucidation. The "consent in principle" refers to the conditions (1), (2) and (3) therein incorporated. As to the clause relating to legislative approval, Schüller assures me that in the protocol of the proceedings, in response to his enquiry for information, it transpired, upon roll call, that legislation to subordinate securities to the new loan was not required, but only legislative approval of a proposal to postpone beyond 1943 the payment of the principal and interest on relief credits. Legislative sanction therefore does not here come into question, the Austrian Government having abandoned its original request for postponement until 1957.

As to the final paragraph relating to the views of the Netherlands and Swiss governments, the concurrence of these governments has since been obtained, as is evidenced by a communication of the International Relief Bonds Committee dated December 20th, addressed to the Austrian Minister in London, a copy of which is herewith enclosed.

There is further enclosed, as of possible interest to the Department and to complete its file of official action thus far taken, a copy of the resolution of the Control Committee (translated from German), dated London, October 12th, 1927. There is finally enclosed a copy of the letter, dated October 12th, 1927, addressed to the Austrian Minister of Finance by the Committee of Guarantor States.³⁶ The resolution of the Control Committee (enclosure 3) states that the Committee has been informed that the Austrian Government intends "to continue to comply with the recommendations of the Control Committee of the League of Nations of the year 1924 concerning the interest on the investment sum to be obtained through the post and railway administration." This rather obscure allusion really refers, I am advised, to Par. 6 of Annex I of the Joint Report by the League Financial Committee and the Commissioner General (Dr. Zimmerman), dated September 15th, 1924.³⁷ The pertinent language is:

"The Austrian Government, in agreement with the Financial Committee, and with the Commissioner General, declares its willingness to adopt the following measures, and pledges itself:³⁸

³⁵ Enclosure 1, *infra*.

³⁶ Printed as enclosure 1 to the letter of Oct. 18, 1927, from Mr. R. C. Leffingwell, of J. P. Morgan & Co., to the Secretary of State, p. 452.

³⁷ League of Nations, *The Financial Reconstruction of Austria*, pp. 216, 230.

³⁸ Omission which follows is indicated in the original despatch.

6. To take all necessary steps to ensure that, when the State supplies State undertakings ('Betriebe') with money for carrying out investments, the State undertakings in question shall pay to the State reasonable interest and amortisation charges on such loans."

The findings of the Financial Committee embodied in Annex I were reported to the Department by F. S. Report No. 48 of September 17th, 1924.³⁹ In my despatch No. 573 of October 23rd, 1924,³⁹ page 3. I reported in relation to this Par. 6:

"The Budget before Parliament contains provisions to redeem the pledge in Point 6, especially with reference to the State Railways and Posts. (Point 6. To take all necessary steps to ensure that, when the State supplies State undertakings ('Betriebe') with money for carrying out investments, the State undertakings in question shall pay to the State reasonable interest and amortisation charges on such loans.)"

Because of the interruption in the courier service and also on account of the fact that the pouch leaving the 1st proximo goes via the Southern Route to Constantinople, I am proposing to transmit the enclosures herein contained, with explanations, by open mail.⁴⁰ There will be duplication to this extent, but it may be desirable for the Department to have this information at an early date and I cannot assume that it is being otherwise advised. The documents in question, I know, were not sent to Minister Prochnik.

I have [etc.]

ALBERT H. WASHBURN

[Enclosure 1]

[Annex 3271-J]

The Secretary of the International Relief Bonds Committee (Leith Ross) to the Austrian Minister in Great Britain (Franckenstein)

LONDON, 12 December, 1927.

SIR: The Relief Bond Committee, representing the Governments of Denmark, France, Great Britain, Italy, Norway and Sweden, having referred to their respective Governments the request of the Austrian Government for the suspension of the first charge enjoyed by the Relief Bonds in favour of a development loan or loans for a sum not exceeding 725 million schillings which the Austrian Government propose to issue, have the honour to inform you that the Government[s] which they represent would be willing, subject to such approval by their respective legislatures as may be required, to consent in principle to the release from the prior charge in favour of

³⁹ Not printed.

⁴⁰ Despatch No. 1665, Dec. 30, 1927, received in the Department Jan. 11, 1928 (file No. 863.51 Relief Credits/11, not printed). Copies were transmitted to the Treasury Department, Jan. 11, 1928 (file No. 863.51 Relief Credits/13, not printed).

the Relief Bonds, for the period of the new Loan, not exceeding 30 years, of such securities as may be necessary for the development loan or loans now in question, not exceeding 725 million schillings, without, however, prejudicing the priority over reparations to which Relief Bonds are entitled, provided that:

(1) Similar consent is obtained from any other Powers interested as holders of Austrian Relief Bonds;

(2) Consent is also obtained from the Reparation Commission for the release of the securities in question from the charge for reparation and other Treaty Costs:

(3) The specific securities which it is desired to release are, in due course, submitted to the Chairman of the Committee who is authorised to approve them.

A further communication will be addressed to you in regard to the views of the Netherlands and Swiss Governments.

I have [etc.]

F. W. LEITH ROSS

[Enclosure 2]

The Secretary of the International Relief Bonds Committee (Leith Ross) to the Austrian Minister in Great Britain (Franckenstein)

LONDON, 20 December, 1927.

SIR: With reference to my letter of the 12th instant, on the subject of the Austrian Government's request for the suspension of the first charge enjoyed by the Relief Bonds in favour of a development loan or loans for a sum not exceeding 725,000,000 schillings which the Austrian Government propose to issue, I now have the honour to inform you that the Netherlands and Swiss Governments have notified their willingness to assent to the release from the prior charge in favour of the Relief Bonds of such securities as may be necessary for the development loan or loans now in question for the same period and subject to the same conditions as have been laid down by the other creditor governments represented on the International Relief Bonds Committee.

I have [etc.]

F. W. LEITH ROSS

[Enclosure 3—Translation]

Resolution of the Control Committee, Dated London, October 12, 1927, Concerning the Contraction of an Austrian Investment Loan of 725 Million Schillings

The Committee has taken due note of the proposals of the Austrian Government and of the declarations of the Austrian representatives; it has been informed that the Austrian Government will during the

coming five years not contract any other foreign loan and that it intends in the case of the proposed loan, of which a part will be floated in Austria itself, to continue to comply with the recommendations of the Control Committee of the League of Nations of the year 1924 concerning the interest on the investment sum to be obtained through the post and railway administration. The Committee takes due note that the Austrian Government intends to use certain sums from current receipts for productive investments, for instance for roads and other investments. The Austrian Government will, should need arise, address itself to the trustees in accordance with the general bond, and contemplates approaching the Reparation Commission and the Relief Powers. The Control Committee does not protest in principle against the contraction of a loan with proceeds not exceeding 725 million schillings for profit-yielding purposes of post and railways, according to the Austrian proposals. The Committee has authorized its president, after the concrete loan terms have been communicated to him to give the definitive consent.

863.51 Relief Credits/4

The Austrian Minister (Prochnik) to the Secretary of State

No. 2531/70

WASHINGTON, December 28, 1927.

EXCELLENCY: Further advice received from my Government on the progress of negotiations conducted in London with a view of deferring the liens held against Austria by various nations for relief credits in order to pave the way for a new Government loan, necessitates some modification of the proposal submitted to Your Excellency with my note ddo. December 6th, 1927, No. 2423/70.

In said note (par. 5) I stated that my Government came to the conclusion that a settlement of the relief credits would be preferable to a further extension of the lien.

In the meantime, however, the other creditor nations have with the consent of the relief committee deferred their liens for relief credits for a period of 30 years beginning from the date of issue of the loan.

This deferment of lien does in no way alter the resolution of the Austrian Federal Government to settle the relief credits in conformity with a plan outlined in my previous note. The pertaining negotiations are progressing favorably although final settlement may experience some delay.

In view of the aforementioned facts I have the honor to solicit Your Excellency's kind intermediary in causing an appropriate legislation to be recommended to Congress authorizing the Government

of the United States in terms similar to those adopted in the so-called Lodge-Resolution to likewise defer for a period of 30 years beginning from the date of issue of the loan the lien for relief credits extended to Austria.

On the same occasion I would appreciate an early notification as to whether or not the Government of the United States is willing to enter into negotiations for a settlement of Austria's relief debts along the lines indicated in my previous note.

In connection therewith I am in a position to state that my Government, although not being able—for reasons mentioned before—to enter into an agreement stipulating for payments to be made prior to 1943, could and will reserve a right to commence payments on January 1st, 1929.

In fact my Government is contemplating to start the first payments on the relief debts on the last mentioned date.

Accept [etc.]

EDGAR PROCHNIK

863.51 M 82/3

Mr. R. C. Leffingwell of J. P. Morgan & Co. to the Under Secretary of State

NEW YORK, December 29, 1927.

[Received December 31.]

DEAR MR. SECRETARY: I received your letter of December 23rd and we have cabled to our London partners to inform Baron Frankenstein, whose intention it was long since to ask the Department whether it wished to be represented in the discussions.

I have no doubt that the Department will receive first hand information from the Austrian Government in due course, but, in view of Assistant Secretary Castle's letter of October 22nd,⁴¹ I am writing to post you briefly concerning developments since my letter of October 18th to Secretary Kellogg was written.

As I mentioned to you when you were in town, the European Relief Creditor States, though willing to subordinate their lien to that of the proposed new loan, are unwilling to postpone their claim until after the maturity thereof. The Austrian Government, on the other hand, is anxious to stop accumulation of interest on the relief claims, for the European Relief Creditors are taking bonds from the Austrian Government for such interest. As I understand it, the Relief Creditors' Committee now have before them a proposal of the Austrian Government to pay for 25 years from 1943 onwards 40,000,000 schil-

⁴¹ Not printed.

lings per annum, i. e., a total of 1,000,000,000 schillings; the Austrian Government reserving the right, however, at its option, to anticipate these payments in part by paying for five years from 1929 10,000,000 schillings per annum, during the next ten years 15,000,000 per annum, the sums so paid, with 8% compound interest until 1943, to be deducted from the total of 1,000,000,000 schillings. If prepayments as outlined above to the aggregate of 200,000,000 schillings were made prior to 1943, the Government would then have to pay only 26,250,000 a year for 25 years from 1943.

Very truly yours,

R. C. LEFFINGWELL

863.51 Relief Credits/4

The Secretary of State to the Secretary of the Treasury (Mellon)

WASHINGTON, January 7, 1928.

SIR: With reference to this Department's letter of December 23, 1927, regarding the Austrian relief indebtedness to the United States and the proposed flotation of a new Austrian loan, I have the honor to transmit for your consideration a copy of note No. 2531/70, dated December 28, 1927, from the Austrian Minister at Washington.

You will note that the Austrian Minister requests that there be recommended to Congress appropriate legislation authorizing the postponement of the relief credit lien for a period of thirty years from the date of issue of the contemplated new Austrian loan. The Minister also requests an early reply to his previous inquiry whether the Government of the United States is willing to enter into negotiations for a settlement of Austria's relief debt along the lines indicated in his note No. 2423/70 of December 6, 1927.

I also transmit herewith a copy of a letter, dated December 29, 1927, from Mr. R. C. Leffingwell of J. P. Morgan and Company, regarding discussions in progress between the Austrian Government and the European Relief Creditor States. This letter gives further information as to the nature of the arrangement which the Austrian Government appears to contemplate. The first paragraph of Mr. Leffingwell's letter indicates that the United States may be invited to keep in touch with the discussions understood to be proceeding at London.

The Department will be glad to have your reply to its letter of December 23 and the present letter at your earliest convenience. I suggest that, if you concur, this Department now inform the Austrian Minister in the sense indicated in the Department's letter of December 23, pointing out that the consideration by this Government of the

proposal to defer the lien would be facilitated by the receipt of more specific information as to the proposal for funding the relief debt, since this Government would like to consider both subjects at the same time.

I have [etc.]

For the Secretary of State:

W. R. CASTLE, Jr.

Assistant Secretary

ACTION OF THE AMERICAN MINISTER IN AUSTRIA ON THE OCCASION OF THE VIENNA PALACE OF JUSTICE RIOTS

863.00/607

The Minister in Austria (Washburn) to the Secretary of State

No. 1477

VIENNA, July 23, 1927.

[Received August 8.]

SIR: I deem it proper to acquaint the Department with the fact that early in the current week I took occasion, in alluding to the deplorable incidents arising out of the recent rioting in the City of Vienna, to express to the Chancellor the sympathy of the Government of the United States and to congratulate the Austrian Government upon its success in speedily restoring order. Similar statements, I have the honor to report, were made by most of my colleagues in the name of their respective governments and I assumed that such action on my part would meet with the approval of the Department.

In common with other Legations, I have also the honor to state, I received a formal notice from the President of Police of the interment on Thursday of the police officers killed in line of duty during the insurrectionary outbreak. Specific inquiries came from several of my colleagues, notably from the English and Italian Legations, as to whether I intended to be present at the obsequies. This decision was not so easy to make. I felt that the Government of the United States has special reason to be grateful to the Police Direction for so assiduously guarding American officials here in Vienna on account of the Sacco-Vanzetti incident—I have voiced my personal gratitude on several occasions. Nevertheless, the notice or invitation did not emanate from the Federal Government and it seemed to me that the presence of foreign diplomats might be construed as undue meddling in an internal matter. This, I ascertained upon talking with him, was also the view of the Belgian Minister, Le Ghait, the Dean of the Corps. The Italian Minister was especially anxious to know my final decision—perhaps because it is generally

recognized, I think, that my relations with Police President Schober are extremely cordial. I may possibly be exceptional—I do not know—in having been able to see him at all times during the recent trouble. In any event, I got the impression that had the American Legation been represented, the Italian Legation would have been also. If the representatives of Republican America and Fascist Italy had been conspicuous by their attendance, I can imagine the comment of the radical press. My decision was mainly influenced however by the circumstance that the Federal Government itself neither expressly nor impliedly intimated its desire in the matter.

The foregoing is submitted for the Department's information and possible comment.

I have [etc.]

ALBERT H. WASHBURN

863.00/607

The Acting Secretary of State to the Minister in Austria (Washburn)

No. 609

WASHINGTON, August 15, 1927.

SIR: The Department has received your Number 1477, of July 23, 1927, stating that you have congratulated the Austrian Government upon its success in restoring order after the recent riots in Vienna, and that you received formal notice from the President of Police of the date on which interment of the police officers killed in the outbreak would be made but, after consultation with some of your colleagues, did not attend the obsequies.

In reply you are informed that your action, as stated above, is approved.

I am [etc.]

W. R. CASTLE, JR.

BOLIVIA

PROPOSED TREATY OF FRIENDSHIP, COMMERCE AND CONSULAR RIGHTS BETWEEN THE UNITED STATES AND BOLIVIA

711.242/3a

The Secretary of State to the Minister in Bolivia (Cottrell)

No. 308

WASHINGTON, August 19, 1927.

SIR: This Government has, as you are aware, entered upon the policy of negotiating with other countries general treaties of friendship, commerce and consular rights, of which the central principle in respect of commerce is an unconditional most-favored-nation clause governing customs and related matters.¹ This policy was inaugurated pursuant to the principles underlying Section 317 of the Tariff Act of 1922;² it seeks assurances that equality of treatment for American commerce will be maintained in all countries.

Besides the provisions relating to commerce, these treaties include provisions relating to rights of nationals of each country in the other country, to protection of property and to rights and immunities of consuls. This Government now desires to enter into such a treaty with Bolivia.

The first treaty to become effective expressing the present policy of this Government was the Treaty of Friendship, Commerce and Consular Rights with Germany, signed December 8, 1923; ratifications of which were exchanged October 14, 1925.³ Similar treaties have been signed by the United States with Hungary, Esthonia and Salvador, of which those with Esthonia and with Hungary have been brought into force by exchange of ratifications.

A treaty containing the unconditional most-favored-nation clause was signed with Turkey on August 6, 1923. About a dozen other treaties containing such a clause are in process of negotiation. *Modi vivendi* based upon the same principle, entered into with the following countries, are in force—Brazil, Czechoslovakia, Dominican Republic, Finland, Greece, Guatemala, Haiti, Latvia, Lithuania, Nicaragua, Poland (including Danzig), Rumania and Turkey.

¹ See *Foreign Relations*, 1923, vol. I, pp. 121 ff.

² 42 Stat. 853, 944.

³ For treaties and *modi vivendi* hereafter referred to in this instruction and not cited therein, see footnotes to instruction No. 1162, Aug. 21, 1926, to the Ambassador in Brazil, *Foreign Relations*, 1926, vol. I, p. 569.

Two copies of the treaty of December 8, 1923, with Germany are enclosed.⁴ You are requested, unless you perceive objection, to inquire whether it would be agreeable to the Government of Bolivia to proceed to the negotiation with the United States of a similar treaty. A special draft of treaty will, of course, be prepared for presentation to Bolivia if this proposal is acceptable to the Bolivian Government. That certain departures from the text of the German treaty should be made is probable, but the views of both countries in respect of this matter may appropriately be exchanged during the course of negotiations.

It would be gratifying if, among its early treaties embodying this principle, the United States could celebrate a general commercial treaty with Bolivia. Such treaty would supersede the Treaty of Peace, Friendship, Commerce and Navigation which was concluded by the two countries on May 13, 1858.⁵ You should in this connection keep particularly in mind that a most-favored-nation clause with a condition such as that contained in Article II of the Treaty of 1858 would not now be acceptable to this Government.

For your confidential information, though the Department, in proposing a treaty with Bolivia, is influenced chiefly by its policy of concluding with other countries generally treaties containing the unconditional most-favored-nation clause, you are nevertheless desired to use especial diligence in seeking a favorable response from the Bolivian Government, thus forestalling any efforts that other countries may be planning to make for the purpose of interposing in South American arrangements based upon special privilege—a policy wholly antagonistic to the policy of equality of treatment which the United States is undertaking to promote. You may recall in this connection that in 1923 this Government renounced the preferential customs treatment which certain American products had been receiving in Brazil and requested instead a pledge of equal footing with other countries in the Brazilian market.⁶

For your further confidential information and guidance, it was some time ago suggested to the Department that there was a movement on the part of Spain to seek from the countries of Latin America special commercial concessions in return for certain advantages to be accorded to their commerce in Spain. In this connection see the Department's circular instruction dated April 19, 1926.⁷

The Department either has transmitted or expects at an early date to transmit instructions similar to the present instruction to the Amer-

⁴ *Foreign Relations*, 1923, vol. II, p. 29.

⁵ Malloy, *Treaties*, 1776-1909, vol. I, p. 113.

⁶ See *Foreign Relations*, 1923, vol. I, pp. 453 ff.

⁷ Not printed.

ican missions in the other South American capitals except Ecuador, the political regime now functioning in which is not recognized by the United States, and, for the present at least, Panama, with which an important treaty of a different character is now pending.⁸

I am [etc.]

FRANK B. KELLOGG

711.242/6

The Minister in Bolivia (Cottrell) to the Secretary of State

No. 1403

LA PAZ, September 26, 1927.

[Received October 18.]

SIR: With reference to the Department's Instruction No. 308, of August 19, 1927, in regard to the United States celebrating a general commercial treaty with Bolivia that would supersede "The Treaty of Peace, Friendship, Commerce and Navigation", which was concluded by the two countries on May 13, 1858, I have the honor to report, upon discreet inquiry, that Bolivia would not at this time have any objection to such a treaty, so far as is known by the President and his Cabinet.

Just at this time, however, the Minister of Foreign Relations and Worship is regarded as hardly in position to take up such a matter immediately. Dr. Alberto Gutierrez, the Minister of Foreign Relations and Worship, and to whom the President has delegated consideration and action upon international affairs, is critically ill and has not been in the Ministry for more than two months.

Dr. Tomas Manuel Elio, the Minister of Hacienda and Industry, is temporarily in charge of the Portfolio of Foreign Relations. Dr. Alberto Cortadellas is Sub-Secretary and is in reality despatching all the work of this Ministry.

I am informed that if Dr. Gutiérrez does not recover soon, that a new Minister will be appointed and then the Bolivian Government will be pleased to consider the foregoing matter. Among those spoken of as the successor of Dr. Gutiérrez, in case he does not become physically able to assume his duties, is Dr. Daniel Sánchez Bustamente, the Bolivian Minister to Chile, and at present in Buenos Aires as President of the Mission that is seeking to arbitrate the boundary question between Bolivia and Paraguay as to the Chaco.⁹

As has been reported to the Department, Germany recently negotiated a treaty with Bolivia along the lines of the treaty that obtained

⁸ i. e., the unperfected treaty between the United States and Panama, signed July 28, 1926. See *Foreign Relations*, 1926, vol. II, pp. 828 ff.; also *ibid.*, 1927, vol. III, pp. 484 ff.

⁹ See pp. 315 ff.

before the World War, with certain modifications which can be regarded as bringing it up to date.¹⁰

I will keep in close touch with the situation, as regards Instruction No. 308, and will keep the Department fully informed.¹¹

I have [etc.]

JESSE S. COTTRELL

BOUNDARY DISPUTE WITH PARAGUAY

(See pages 315 ff.)

¹⁰ Agreement signed at La Paz, Mar. 12, 1924, regarding the re-entry into force of the treaty of friendship and commerce of July 22, 1908; League of Nations Treaty Series, vol. LXXIII, p. 95.

¹¹ These negotiations did not result in the signing of any treaty.

CANADA

ESTABLISHMENT OF DIRECT DIPLOMATIC RELATIONS BETWEEN THE UNITED STATES AND CANADA AND OF AMERICAN DIPLO- MATIC REPRESENTATION IN THE IRISH FREE STATE¹

124.42/- : Telegram

*The Secretary of State to the Ambassador in Great Britain
(Houghton)*

[Paraphrase]

WASHINGTON, December 1, 1926—6 p. m.

238. As the British Government has appointed a Minister for the Irish Free State and has expressed its intention of appointing a Minister for Canada, the Government of the United States desires to appoint a Minister to each of these countries. You are instructed to confer with Mr. Chamberlain and determine if such appointments would be acceptable to the British Government. Also endeavor to ascertain the desires of the British Government as to whom the Minister will be accredited and to whom his credentials should be presented. The following is for your information. The President has power to make the appointment without legislation but we must have an appropriation from Congress. Since this is the short session we desire to secure the appropriation as soon as possible.

KELLOGG

124.42/9

The Chargé in Great Britain (Sterling) to the Secretary of State

No. 1569

LONDON, January 10, 1927.

[Received January 22.]

SIR: Referring to the Embassy's telegram No. 6, dated January 7th, 11 a. m., 1927,² I have the honor to enclose herewith a copy, in triplicate, of the Note referred to therein from the Foreign Office, with regard to the appointments of Ministers from the United States to Canada and the Irish Free State.

I have [etc.]

F. A. STERLING

¹ For correspondence concerning British proposal for the appointment of a Canadian Minister at Washington, see *Foreign Relations*, 1926, vol. i, pp. 578 ff. For correspondence concerning decision to accredit a Minister to represent the interests of the Irish Free State, see *ibid.*, 1924, vol. i, pp. 246 ff.

² Not printed.

[Enclosure]

*The British Secretary of State for Foreign Affairs (Chamberlain)
to the American Chargé (Sterling)*

No. T 152/92/373

LONDON, 6 January, 1927.

SIR: Mr. Houghton³ was good enough to inform Sir William Tyrrell⁴ last month, on instructions from the United States Government, of the intention of the President of the United States of America to appoint United States Ministers at Ottawa and Dublin in view of the appointment of His Majesty's Ministers at Washington to represent the interests of Canada and the Irish Free State, and His Excellency enquired whether these appointments would be agreeable.

2. I now have the honour to state that His Majesty's Governments in Canada and the Irish Free State have learnt with much satisfaction of the intention of the President of the United States and that these appointments will be most agreeable.

3. In reply to Mr. Houghton's further enquiry in regard to the credentials of the Ministers whom the President proposes to appoint, the appropriate procedure would be that they should be addressed to His Majesty The King and presented to the Governor-General of Canada and of the Irish Free State respectively as His Majesty's Representative in each of those Dominions.⁵

I have [etc.]

(For the Secretary of State)

HUBERT MONTGOMERY

701.4211/58

The British Ambassador (Howard) to the Secretary of State

No. 49

WASHINGTON, January 24, 1927.

SIR: I have the honour to refer to your note of December 4th last,⁶ notifying me that the appointment of the Honourable Vincent Massey as His Majesty's Envoy Extraordinary and Minister Plenipotentiary to represent the interests of the Dominion of Canada in the United States will be entirely agreeable to the United States Government.

In this connection, I have the honour to state that Mr. Massey has now advised me that he proposes to arrive at Washington at the end of the second week in February and is desirous of presenting his letters

³ Alanson B. Houghton, Ambassador in Great Britain.

⁴ British Permanent Under Secretary of State for Foreign Affairs.

⁵ Mr. William Phillips presented his credentials as American Minister in Canada on June 1, 1927, and Mr. Frederick A. Sterling presented his credentials as American Minister in the Irish Free State on July 27, 1927.

⁶ *Foreign Relations*, 1926, vol. I, p. 580.

of credence on any day between the 15th and 19th of February. I should accordingly be most grateful if you would be so good as to notify me at your earliest convenience on what date it will be convenient for the President to receive Mr. Massey for the presentation of his credentials. At the same time, I have the honour to inform you that the Government of Canada are desirous that I should accompany Mr. Massey to the White House on this occasion.

I have [etc.]

ESME HOWARD

701.4211/58

The Secretary of State to the British Ambassador (Howard)

WASHINGTON, *January 29, 1927.*

EXCELLENCY: I have the honor to acknowledge the receipt on the 26th instant of Your Excellency's note No. 49 of January 24th, in which, referring to my note of December 4th last with reference to the appointment of the Honorable Vincent Massey as His Majesty's Envoy Extraordinary and Minister Plenipotentiary to represent the interests of the Dominion of Canada in the United States, you inform me that Mr. Massey proposes to arrive in Washington at the end of the second week of February, and is desirous of presenting his letters of credence to the President on any day between the fifteenth and the nineteenth of February. You also inform me that the Government of Canada is desirous that you should accompany Mr. Massey to the White House upon this occasion.

In reply I have the honor to inform you that the President will be glad to receive the appointed Minister of Canada, accompanied by Your Excellency, at three-thirty o'clock on the afternoon of Friday, February eighteenth, at the White House.⁷

I shall of course expect to have the pleasure of Your Excellency's presentation of Mr. Massey to me so soon as shall be mutually convenient after his arrival in Washington, and to receive from him at that time a copy of his letter of credence and a draft of the remarks which he purposes to make to the President—unless I shall have been sooner favored with the remarks through Your Excellency's courtesy.

Pursuant to the understanding reached between you and Mr. Wright, Assistant Secretary of State, in conversation on the twenty-fifth instant, Mr. Wright will call for Mr. Massey a few moments before the appointed time, for the purpose of escorting him to the White House, together with such members of his staff as he may desire to present. In further accord with that understanding, it is expected that Your Excellency will join the Minister and Mr. Wright at the White House;

⁷ Mr. Massey presented his letter of credence on Feb. 18, 1927.

that the presentation to the President of the Minister, accompanied by Your Excellency, will be made by Mr. Wright, and that no member of Your Excellency's staff will be present.

In view of the fact that the procedure set forth differs from that followed in the presentation of the present Minister Plenipotentiary of the Irish Free State, in that Mr. Smiddy was not accompanied by Your Excellency, it is understood that neither Mr. Smiddy's case nor that of Mr. Massey shall be deemed to establish a precedent, but that the determination of whether or not the Ambassador shall accompany future Ministers of Dominions of the British Empire when presenting to the President letters of credence from His Britannic Majesty in a Plenipotentiary capacity shall be governed by the desire of the respective Dominion or its representative, which shall be communicated to the Department of State by the British Embassy.

Accept [etc.]

FRANK B. KELLOGG

**CONTINUED PROTESTS BY THE CANADIAN GOVERNMENT AGAINST
INCREASED DIVERSION OF THE WATERS OF THE GREAT LAKES***

711.4216 M 58/128

The Canadian Chargé (Beaudry) to the Secretary of State

No. 230

WASHINGTON, September 1, 1927.

SIR: I have the honor to refer to the note which you addressed to Mr. Chilton on December 7th, 1926,⁹ regarding the publication of certain correspondence relating to the diversion of water from Lake Michigan by the Sanitary District of Chicago.

His Majesty's Government in Canada has noted that the Government of the United States considers that the reference in the Report of the Joint Board of Engineers on the St. Lawrence Waterway Project¹⁰ to the limited effect on lake levels of the diversion of water through the Chicago Sanitary Canal greatly alters the understanding of the situation, and that it might accordingly be considered undesirable to publish the correspondence in question.

I have been instructed to inform you that His Majesty's Government in Canada has not been under any misapprehension as to the extent to which the abstraction of water through the Chicago Sanitary Canal has lowered the levels of the Great Lakes and that it has been fully advised that this lowering has been in the neighbourhood of six inches. The papers which His Majesty's Government in

* Continued from *Foreign Relations*, 1926, vol. I, pp. 580-590.

⁹ *Foreign Relations*, 1926, vol. I, p. 589.

¹⁰ *Report of Joint Board of Engineers on St. Lawrence Waterway Project, Dated November 16, 1926* (Ottawa, F. A. Acland, 1927).

Canada desires to publish incorporate its viewpoint with respect to the general principle of abstracting water from the Great Lakes System and diverting it into another watershed, and include the protests of the Government of Canada against the abstraction, submitted on behalf of the people of Canada generally, as well as the protest of the Government of Ontario, submitted on behalf of the people of that Province. Any reference in the report of the Joint Board of Engineers as published, as to the actual effect of the withdrawal of water through the Sanitary Canal, does not in any degree whatsoever affect the viewpoint of His Majesty's Government in Canada as expressed in this correspondence.

His Majesty's Government in Canada desires to take this opportunity of pointing out that if any misapprehension exists in the United States or in Canada as to the degree of lowering occasioned by the Chicago abstraction, the publication of these papers will go a long way towards removing such misunderstanding.

With reference to the suggestion that His Majesty's Government in Canada enter upon a further discussion of the practical question of providing compensatory works as recommended by the Joint Board of Engineers, it may be pointed out that the installation of compensatory works for the restoration of lake levels will in no way recoup to the Great Lakes System the power which is lost to that system by the water abstracted therefrom through the Sanitary Canal. While recognizing the marked advantages which may be gained by the construction of suitable compensating works, His Majesty's Government in Canada would not be prepared to enter upon a discussion of any plans for the construction of such works, if this course involved an assumption that the present abstraction is to continue.

With reference, however, to the question immediately under consideration, His Majesty's Government in Canada observes nothing in the Report of the Joint Engineering Board, including Appendices, which would render inadvisable the publication of the papers in question. On the contrary it is considered that the release of these papers would have a marked effect in clarifying public opinion on the question in both countries.

I have the honour therefore to enquire whether the Government of the United States would not be prepared to publish the correspondence listed in Mr. Chilton's note of November 16th, 1926,¹¹ together with subsequent correspondence, at such early date as may be found convenient to both Governments.

I have [etc.]

LAURENT BEAUDRY

¹¹ *Foreign Relations*, 1926, vol. I, p. 588.

711.4216 M 58/128

The Secretary of State to the Canadian Minister (Massey)

WASHINGTON, October 17, 1927.

SIR: In further reply ¹² to your Legation's note, No. 230, of September first, I have the honor to inform you that this Government raises no objection to the publication of the correspondence referred to therein, relating to the diversion of water from Lake Michigan at Chicago.¹³

This Government has not failed to recognize the importance of the contentions made by the Canadian Government relating to the abstraction of water from one watershed and the diversion of it into another. In my note of July 26, 1926, I informed the British Ambassador that this Government was not prepared to admit the conclusions of law stated in his notes of February 5, 1926, and May 1, 1926, on this question.¹⁴ I did not think it was advisable to enter into a discussion of this legal question in view of the fact that the issues involved in certain cases which were then and are still pending in the Supreme Court of the United States are closely parallel to the questions presented in the Ambassador's notes. For this same reason I do not now desire to enter into a discussion of this question at the present moment.

This Government, however, has heretofore indicated that it is prepared to enter into discussions and negotiations with Canada covering the whole question of preservation of lake levels in the mutual interest of the two countries.

This Government is glad to note the agreement by the Government of Canada with the conclusions of the Joint Board of Engineers that the diversion at Chicago has affected lake levels less than six inches. It also notes the feeling on the part of the Canadian Government that lake levels could be dealt with, so far as navigation is concerned, by compensating works as recommended by the Joint Board of Engineers. It would appear in this connection that the question as to the practical results of diversion in its effect on navigation could be entirely remedied.

As to the observation by the Canadian Government that the installation of compensatory works to restore lake levels would not recoup to the Great Lakes System the power lost to the system by the diversion at Chicago, I would, without in any way admitting the principles of compensation, call attention to the fact that Canada

¹² Reply of Sept. 12, 1927, not printed.

¹³ Printed in *Correspondence Relating to Diversion of the Waters of the Great Lakes by the Sanitary District of Chicago* (From March 27, 1912, to October 17, 1927) (Ottawa, F. A. Acland, 1928).

¹⁴ Notes printed in *Foreign Relations*, 1926, vol. I, pp. 580, 584.

now receives 36,000 second feet at Niagara as against 20,000 cubic feet per second on the American side for power purposes. I would further observe that without development of the lower St. Lawrence this question does not arise in that connection.

I again wish to point out that all these problems appeal to the American Government as matters that may be settled by practical engineering measures which might be adopted pending further discussion of the principles involved.

Accept [etc.]

FRANK B. KELLOGG

**PROJECT FOR IMPROVEMENT OF THE ST. LAWRENCE WATERWAY BY
JOINT ACTION OF THE UNITED STATES AND CANADA ¹⁵**

711.42157 Sa 29/302a

The Secretary of State to the Canadian Minister (Massey)

WASHINGTON, April 13, 1927.

SIR: For more than one hundred years, the Great Lakes and the St. Lawrence River have furnished a common highway and transportation outlet for the population in the interior of the continent in both the United States and Canada. The waterway has been the subject of several treaties and conventions between the two countries. Its development has been a matter of continuous effort on the part of both countries.

Pursuant to reference made to the International Joint Commission by both governments under authority of the treaty of January 11, 1909,¹⁶ that commission made investigation of the feasibility of improving navigational facilities of the St. Lawrence River between Montreal and Lake Ontario so as to transform that section into an ocean shipway. The Commission submitted its report, signed on December 19, 1921,¹⁷ to your Government and to the Government of the United States after taking into consideration the existing characteristics of the waterway and its projected development, as well as the essential economic factors. It earnestly recommended to both governments the making of a treaty for a scheme of shipway improvement of the river between Montreal and Lake Ontario. It suggested, however, that before final decision be made, the engineering features should receive further consideration and study. Delays naturally ensued due to the problems of reconstruction resulting from the war.

On March 14, 1924, the President of the United States appointed the St. Lawrence River Commission ¹⁸ under the chairmanship of the

¹⁵ Continued from *Foreign Relations*, 1924, vol. I, pp. 342-349.

¹⁶ *Foreign Relations*, 1910, p. 532.

¹⁷ S. Doc. No. 114, 67th Cong., 2d sess.

¹⁸ See note from the Secretary of State to the British Ambassador, Apr. 28, 1924, *Foreign Relations*, 1924, vol. I, p. 347.

Honorable Herbert Hoover, Secretary of Commerce, to consider the whole project in its economic and national aspects and to express an opinion as to whether the project should be undertaken and the Government of Canada on May 7, 1924, appointed a national advisory committee under the chairmanship of the Honorable George Perry Graham, Minister of Railways and Canals. Through the arrangements brought about by these committees the two governments by exchange of notes dated February 4 and March 17, 1925,¹⁹ gave instructions to a Joint Board of Engineers designated by them to review and extend the engineering plans as recommended by the International Joint Commission in 1921.

This Joint Engineering Board made an elaborate resurvey of the lake and river systems both as to navigation and power, and filed with each government an exhaustive report upon all its engineering aspects. The representatives of the two countries differed as to a few details but from the report it clearly appears that the improvement of the waterway for navigation and power purposes is both feasible and advisable.

The St. Lawrence River Commission appointed by the President to advise this Government on the subject recently undertook an examination of all of the economic as well as engineering facts bearing upon the proposed development and has made a complete report covering all aspects. It concluded that the construction of the shipway at proper depths would relieve the interior of the continent, especially agriculture, from the economic handicaps of adverse transportation costs which now operate to the disadvantage of many states and a large part of Canada, would serve the industrial well being of both countries in the development of their power resources, and would tend largely to the increase of prosperity and the stimulation of industry. The Commission recommended that negotiations should be entered into with your Government in an endeavor to arrive at an agreement as to the speedy development of this waterway.

The Government of the United States adopts the recommendations of the St. Lawrence Commission. It appreciates the advantages which will accrue equally to both countries by the opening of the waterway to ocean shipping. It feels that the necessary increase in railway rates due to the war, and the modern practices respecting the generation and transmission of hydroelectric power have increased the importance and practicability of early development, and believes that the factors which influence its conclusions must have equal application to, and influence upon, the Dominion of Canada.

In view of the action already taken by both governments, it is apprehended that they are in accord on the principle that the project

¹⁹ *Report of Joint Board of Engineers on St. Lawrence Waterway Project*, p. 4.

should be undertaken. If this Government's conclusion in this respect be correct, there only remains to be effected an understanding as to the methods and means for its earliest accomplishment. It seems highly appropriate that the development of the common highway for the benefit of both countries should be jointly undertaken.

This Government is prepared to enter into negotiations with a view to the formulation of a convention appropriate to this subject and should be grateful to be informed of the views entertained on this subject by your Government.

Accept [etc.]

FRANK B. KELLOGG

711.42157 Sa 29/317

The Minister in Canada (Phillips) to the Secretary of State

No. 15

OTTAWA, *July 13, 1927.*

[Received July 19.]

SIR: Confirming my telegram No. 9, of July 12, 10 p. m.,²⁰ I have the honor to transmit herewith as a matter of record a copy of Mr. Mackenzie King's note on the St. Lawrence waterway, dated July 12, 1927, in reply to your note to the Canadian Minister at Washington of April 13, 1927. There is likewise enclosed a copy of a personal letter from Mr. Mackenzie King²⁰ on the subject of the publication of the two notes.

I have [etc.]

WILLIAM PHILLIPS

[Enclosure]

The Prime Minister of Canada (Mackenzie King) to the American Minister (Phillips)

OTTAWA, *12 July, 1927.*

SIR: The Government of Canada has received and considered carefully the note of the Secretary of State of the United States to the Canadian Minister at Washington of April 13th, 1927, on the St. Lawrence Waterway.

It shares the appreciation felt by the Government of the United States of the importance of the problem of the development of the St. Lawrence and of the aid in the solution of the engineering aspects of this problem afforded by the reports of the International Joint Commission and of the Joint Board of Engineers appointed by the two Governments in 1925.

The report of the Joint Board of Engineers signed on November 16th, 1926, while unanimous in many respects, indicated differences

²⁰ Not printed.

of opinion on important phases of the development proposed. It is understood that in the appendices to the report, which are in preparation, certain further alternative schemes will be presented which will be of essential value in arriving at a conclusion.

The National Advisory Committee appointed by the Government of Canada to report on the economic and general aspects of the St. Lawrence Waterway question will not be in a position to make a final report until all the findings of the Joint Engineering Board, including the appendices, are available. Upon receipt of the report of the National Advisory Committee and upon consideration of the other factors involved, the Government of Canada will be able to determine its policy on the question, and will then have pleasure in discussing further with the Government of the United States at as early a date as possible the whole situation, including the proposals contained in the present note of the Secretary of State.

Accept [etc.]

W. L. MACKENZIE KING

PROPOSAL THAT THE PROBLEM OF IMPROVING THE ROSEAU RIVER DRAINAGE SYSTEM BE REFERRED TO THE INTERNATIONAL JOINT COMMISSION

711.42157 R 72/9

The Acting Secretary of State to the Canadian Minister (Massey)

WASHINGTON, February 26, 1927.

SIR: I have the honor to invite your attention to the conditions which cause the periodic overflow of the Roseau River in the State of Minnesota and the Province of Manitoba.

As you know, the Roseau River has tributaries in both the United States and Canada. The main stream, after flowing through the northwestern part of the State of Minnesota, passes into Manitoba and flows through the southern part of that province before emptying into the Red River. In the natural state of the stream the fall is slight and the channel is inadequate to carry the water originating above Roseau Lake. The construction of drainage ditches in Minnesota and Manitoba has increased the volume of water discharged into the main stream of the Roseau River and has subjected the riparian property to inundation at times of increased rainfall. I am informed that the State of Minnesota has deepened and improved the channel of the Roseau River at various times in the past twenty years and has thus increased the capacity of the channel to the maximum which can be reached until the fall in certain Canadian reaches of the river is increased. Even with the improvements that have been made, land in the United States for a considerable distance from the river is subject to periodic flooding by the waters of the Roseau River.

I understand that surveys are now being made in Manitoba with a view to the ditching of additional drainage into the Canadian tributaries of the Roseau. It is also my understanding that other surveys are being conducted in Canada with a view to the construction of dikes along the banks of the river. Both of these proposed improvements, if carried out, would further aggravate the situation as to flooding in the United States.

In the view of this Government the question of the improvement of the Roseau River in such a manner as to protect riparian owners is of sufficient importance to justify the United States and Canada in referring it to the International Joint Commission for investigation and report under the provisions of Article IX of the Boundary Waters Treaty of 1909.²¹ I have the honor, therefore, to inquire whether the Canadian Government would be disposed to join this Government in referring the entire problem of improvement of the Roseau River drainage system in the interests alike of the people of Minnesota and Manitoba to the International Joint Commission with instructions to make an investigation and submit a report and recommendations to the Governments. This Government suggests that if the Canadian Government would be willing to join the United States in such a reference to the Commission, it might be desirable for the two Governments to designate engineers, one by each Government, to confer and submit a draft of the terms of reference.

Accept [etc.]

JOSEPH C. GREW

711.42157 R 72/13

The Secretary of State to the Canadian Chargé (Beaudry)

WASHINGTON, April 2, 1927.

SIR: In further reference to the matter of the improvement of the drainage of the Roseau River valley, which was referred to in my note of February 26, last, and in the Minister's note of acknowledgment thereto of March 1,²² I beg to inform you that reports have been brought to the attention of the Department that action is being taken in Canada to obtain appropriations for proceeding during the present season with works of drainage and diking along the Roseau River.

Residents of the part of the Roseau River valley which lies in the United States are very earnest in their desire that no works shall be undertaken in Canada which will aggravate the flood conditions

²¹ *Foreign Relations*, 1910, p. 532.

²² Not printed.

that hitherto have prevailed in the United States, and that, if possible, a system of drainage control shall be developed which will greatly reduce or remove these flood conditions.

In view of the above mentioned reports I desire to refer to the proposal made in my note of February 26, last, that the entire problem of the improvement of the Roseau River system be referred by the Governments of the United States and Canada to the International Joint Commission for investigation, report and recommendations, and that each Government designate an engineer to confer and submit a draft of the terms of reference. This Government would be grateful if the views of the Canadian Government in regard to these proposals were made known to it at an early date.

Accept [etc.]

For the Secretary of State:

JOSEPH C. GREW

711.42157 R 72/22

The Canadian Minister (Massey) to the Secretary of State

No. 269

WASHINGTON, 1 November, 1927.

SIR: With reference to your note of April 2nd. 1927 and previous correspondence concerning the improvement of the drainage of the valley of the Roseau River, I have the honour to inform you that no decision has yet been arrived at by His Majesty's Government in Canada with regard to the proposed reference to the International Joint Commission of the entire problem of this improvement, inasmuch as the question is still under discussion with the authorities of the Province of Manitoba.

2. The operations for the improvement of the river, which are now being carried on in conjunction by the Federal and Provincial Governments, will not prejudice the aspect of the question in which the Government of the United States is mainly interested, and are not believed to be contrary to the spirit or provisions of the Boundary Waters Treaty of 1909, particularly to the provisions contained in Article 4 of that Treaty. The competent authorities of His Majesty's Government in Canada have had in mind in working out the present scheme of improvement that the excavated material should be so disposed in dikes on each side of the channel that the surface channel or flood way capacity of the river could be increased to receive the additional flood waters from Minnesota, if this action should prove to be necessary at a future date on a recommendation of the International Joint Commission accepted by the Governments of Canada and of the United States.

I have [etc.]

VINCENT MASSEY

711.42157 R 72/22

The Secretary of State to the Canadian Minister (Massey)

WASHINGTON, December 12, 1927.

SIR: I have the honor to refer to your note No. 269 of November 1, 1927, informing me that no decision has yet been reached by the Canadian Government with regard to this Government's proposal that the entire problem of the improvement of the drainage of the valley of the Roseau River be referred to the International Joint Commission for investigation, report and recommendations.

This Government has given careful consideration to the views expressed in your note. I have to inform you, however, that the information which has been furnished me from sources in the United States is that the execution of the present plans for the improvement of the Roseau River in Canada will have an effect contrary to that which the Canadian authorities have in mind. I am informed that the carrying out of these plans would result in extensive damage by flooding to some eighteen townships in Roseau County, and to a large area in Kittson County, Minnesota. In view of this information, it would seem, that contrary to the views expressed in your note, the construction of the works will prejudice the aspect of the question in which this Government is mainly interested, and that it will be contrary to the spirit and provisions of the Boundary Waters Treaty of 1909. If the information which has been furnished me is correct, it would seem desirable that the execution of the plans should be deferred until approval thereof has been obtained from the International Joint Commission under Article IV of the Treaty.

In view of this conflict of views as to the effect which the execution of the present plans will have, I am strongly of the opinion that the matter is also within the letter and the spirit of Article IX of the Boundary Waters Treaty and suitable for reference to the Commission under that Article by either or both Governments. I, therefore, have the honor to renew the proposal made in the Acting Secretary's note of February 26, 1927, and repeated in his note of April 2, 1927, that the entire problem of the improvement of the Roseau River system be referred by the Governments of the United States and Canada to the International Joint Commission for investigation, report and recommendations, and that each Government designate an engineer to confer and submit to them a draft of the terms of reference.

I further request that all action relative to the carrying out of the present plans for the improvement of the Roseau River be suspended until the International Joint Commission shall have made an investigation and report under such a reference.

This Government would be grateful if the views of the Canadian Government in regard to these proposals were made known to it at an early date.

Accept [etc.]

FRANK B. KELLOGG

**REPRESENTATIONS BY CANADA AGAINST CHANGES IN BORDER
CROSSING PRIVILEGES BETWEEN CANADA AND THE UNITED
STATES**

150.01 Commuters/16

*The Assistant Secretary of Labor (White) to the Assistant Secretary
of State (Carr)*

WASHINGTON, April 22, 1927.

MY DEAR MR. CARR: Enclosed find copy of General Order No. 86, outlining land border crossing procedure, which may be of interest to your Department, particularly, as it may greatly increase the applications for non-quota visas at some of your consulates. I am informed this phase of the question was discussed with you several weeks ago by Mr. Husband.²³

Sincerely yours,

ROBE CARL WHITE

[Enclosure]

General Order No. 86 of the Department of Labor

WASHINGTON, April 1, 1927.

SUBJECT: Land border crossing procedure.

1. Hereafter aliens residing in foreign contiguous countries and entering the United States to engage in existing employment or to seek employment in this country will not be considered as visiting the United States temporarily as tourists, or temporarily for business or pleasure, under any provisions of the Immigration Law which exempt visitors from complying with certain requirements thereof; that is, they will be considered as aliens of the "immigrant" class.

2. However, the following aliens of the said "immigrant" class residing in foreign contiguous countries and who are now enjoying the border crossing privilege may continue so to enjoy it upon the payment of head tax, provided such head tax was assessable on aliens entering permanently at the time of original admission and, provided further, that they are not coming to seek employment.

A. Aliens whose original admission occurred prior to June 3, 1921.

B. Natives of nonquota countries whose original admission occurred prior to July 1, 1924.

²³ Second Assistant Secretary of Labor.

C. Natives of quota countries whose original admission occurred subsequent to June 2, 1921, and prior to May 11, 1922, who at the time of such admission had resided in the Dominion of Canada, Newfoundland, the Republic of Cuba, the Republic of Mexico, or countries of Central or South America, or adjacent islands, for a period of one year.

D. Natives of quota countries whose original admission occurred subsequent to May 10, 1922, and prior to July 1, 1924, who at the time of such admission had resided in the Dominion of Canada, Newfoundland, the Republic of Cuba, the Republic of Mexico, or countries of Central or South America, or adjacent islands, for a period of five years.

3. Aliens of all nationalities of the "immigrant" class whose original admission occurred subsequent to June 30, 1924, will be required to meet all provisions of the Immigration Laws applying to aliens of the "immigrant" class. Aliens of this class already enjoying the border crossing privilege, however, will be granted a reasonable time, not to exceed six months from June 1, 1927, within which to obtain immigration visas and otherwise comply with the laws.

4. Aliens who have already complied with the requirements of the Immigration Laws and this General Order may be permitted to continue to enjoy the border crossing privilege.

5. Aliens who have complied with the requirements of this General Order governing permanent admission will be considered as having entered for permanent residence.

6. The use and issuance of identification cards to all classes of aliens entitled to same will continue as heretofore.

7. Identification cards held by or issued to aliens of the "immigrant" class shall be rubber-stamped as follows:

IMMIGRANT

Dated this day of, 192 . . ,
at

.
Immigrant Inspector.

8. Identification cards held by or issued to aliens of the "non-immigrant" class shall be rubber-stamped as follows:

NONIMMIGRANT

Dated this day of, 192 . . ,
at

.
Immigrant Inspector.

9. To insure uniformity stamps furnished by the bureau, only, shall be used and blank spaces, including that for signature, shall be filled in by the use of indelible pencil.

10. All identification cards heretofore issued, held by aliens who can not, or do not, meet the requirements of law, regulations and this order, will be taken up and canceled upon an incoming trip of the holder and appropriate action taken.

11. The work of validating outstanding cards should proceed slowly, systematically, steadily and persistently, and in such a manner as to avoid confusion, congestion, interference with proper routine administration and the giving of just grounds for complaint upon the part of the traveling public.

12. The status of holders of identification cards shall be inquired into periodically, preferably every six months from date stamped, where practicable, but in any event not less frequently than once a year. When inquiry has been so made, it will be evidenced by a notation to show date of such inquiry and initials of the officer upon the reverse of the card. When the holder of a "nonimmigrant" identification card qualifies as an "immigrant," a new identification card shall be issued, stamped to show the correct status.

GEORGE J. HARRIS

Acting Commissioner General

APPROVED:

ROBE CARL WHITE

Assistant Secretary

150.01 Commuters/17

The Canadian Minister (Massey) to the Secretary of State

No. 100

WASHINGTON, 23 April, 1927.

SIR: I have the honour to draw your attention to reports which have recently been circulating in the Press to the effect that the Government of the United States intends to make drastic changes in the regulations now applicable to persons living in Canada, and crossing daily to the United States to work, especially in the area of Detroit.

In view of the long period during which the present practice has been followed, of the reciprocal character of the existing arrangements and of the serious dislocation which would result from any important alteration, I am instructed to request that, before any decision on this matter is taken or announced, an opportunity should be given for a conference to be held as soon as possible, between representatives of the Governments of the United States and of Canada. I am instructed to inform you that representatives of the competent authorities of the Canadian Government are prepared to come to Washington for such a conference at the earliest convenient date.

I have [etc.]

VINCENT MASSEY

150.01 Commuters/21

The Secretary of State to the Canadian Minister (Massey)

WASHINGTON, May 10, 1927.

SIR: I have the honor to refer to your notes dated April 23 and April 27, 1927,²⁴ in which you suggest a conference for the purpose of discussing the effects of a recent General Order of the Department of Labor pertaining to border-crossing privileges between Canada and the United States.

I am very glad to inform you that a conference will be held in the diplomatic room of the Department, Thursday, May 12, at 10:30 a. m. Officials of the Department of Labor will be present and I shall be very glad if you can attend and bring with you anyone whom you may desire to have present.

Accept [etc.]

For the Secretary of State:

WILBUR J. CARR

150.01 Commuters/56

Memorandum by the Chief of the Visa Office (Du Bois) of a Conference Held May 12, 1927, Regarding Canadian Border Travel Difficulties

At 10:30 a. m., by invitation of the Secretary, the following officials met in the Diplomatic Room of the Department:

The Secretary
The Minister of Canada
Assistant Secretary Wilbur J. Carr (State)
Assistant Secretary Robe Carl White (Labor)
Mr. Wrong, Secretary, Canadian Legation
Mr. Jolliffe, Commissioner of Immigration of Canada
Mr. Flournoy, Assistant to the Solicitor
Mr. du Bois, Chief of the Visa Office.

The Secretary made an introductory statement to the Conference in which he pointed out the importance of maintaining the traditional friendly relations which had always existed with Canada. He hoped the conferees would discuss any and all questions arising from travel difficulties on the Canadian border in the friendliest spirit and he wanted the Conference to be sufficiently broad in scope to cover any question on which difficulties might arise with a view to their solution in a way that would maintain our friendly relations with Canada.

²⁴ Note of April 27 not printed; it stated that the early part of the following week would be a suitable time for holding the conference.

The Secretary stated further that he hoped the work of the Conference would iron out all difficulties; that he would personally discuss its results with the Secretary of Labor at which discussion he invited the Minister of Canada to be present.

Since it was Diplomatic Day, the Secretary then excused himself and the Conference proceeded informally, presided over by Assistant Secretary Carr.

The Canadian Minister read a prepared statement outlining the widespread adverse effect Labor's General Order No. 86 has had on the sentiment and economic structure in Canada. He said it is being taken up editorially and by the man on the street in cities far removed from the border and has become, in fact, an acute international issue. He exhibited a copy of the *Border Cities Star* which bore a full front page editorial under one-inch headlines, "An Unfriendly Act of a Friendly Nation" and presented other clippings similar in tone from Quebec and other interior cities.

Mr. Wrong went further into details and suggested that under Labor's own definition—"an alien who, having a fixed domicile in some other country which he has no intention to abandon, comes to the United States for a temporary period only"—the border-crossers were in the category of non-immigrants.

Mr. White outlined the position of the Department of Labor at some length. He said that ever since July 1, 1924, Labor had been seeking a means to curtail the border-crossing privileges and was now driven by pressure from organized labor to a definite announcement of its program of control of border crossing by workers. He said these people who entered the United States solely for purposes of work and took the places of American workers were not contemplated by Congress as coming within the non-immigrant class.

The discussion then became general and centered around the number of persons who, under Labor's Order, would be required to present quota immigration visas. It was submitted by the representatives of Canada that these persons caused them the greatest concern since they were over 90% British-born and as much the responsibility of the Canadian Government as native-born Canadians. Each group had certain statistics which seemed to indicate that between 4000 and 6000 such persons were involved. It was pointed out that while this number was but a drop in the bucket as far as the American labor market was concerned, each individual, when thrown out of employment and forced to stay in Canada would become the nucleus of unfriendly feeling against the United States.

The time within which these people might hope to receive visas under their respective quotas was discussed. Our system of allotment proportional to demand was explained and also the fact that

obligations had been created in very large numbers both in England and in Canada by registrations on the part of prospective quota immigrants who had not hitherto enjoyed any border crossing privileges and who could not be set aside in favor of those who had. Statistics were adduced to show that a six-months period for the production of quota visas could not be considered as meeting the situation in the slightest degree.

Mr. White pointed out that the six-months period was not expected by Labor officials to be an adequate period, but rather to be a period in which the situation would clarify itself; the definition of a period (any period) after which quota visas must be produced being the only actual curtailment in the number of foreign workers enjoying employment in the United States, and, consequently, the only actual benefit accorded to the A. F. of L. He stated that it was also conceived as a period of readjustment—a period during which due notice having been served, non-Canadian border crossing workers would secure employment on the Canadian side of the border.

The Conference adjourned at 12:50 p. m. after agreeing that notices to the press should be limited to the statement that this was a preliminary session only and no announcement of its results could be made.

Tentatively, with the understanding that Mr. White would discuss them with the Secretary of Labor, the following three points were agreed upon as being the lines along which a solution might be reached:

1. Cease, as from the date of General Order No. 86, from the creation of further border-crossing privileges.

2. Continue in effect the privileges hitherto granted until the individuals in each class involved may either bring themselves within the Act of 1924²⁵ or otherwise adjust their situations.

3. The Departments concerned will report the situation to Congress when it convenes with a view to ascertaining whether it is disposed to grant any further measure of freedom in travel across our land borders than is permitted by the present law.

C. DU B[ois]

150.01 Commuters/21

The Secretary of State to the Canadian Minister (Massey)

WASHINGTON, May 28, 1927.

SIR: I have the honor to refer to your notes dated April 23 and April 27, 1927,²⁶ and to a conference at the Department on May 12, in which you so ably presented the difficulties in which certain citizens

²⁵ 43 Stat. 153.

²⁶ Note of April 27 not printed.

of Canada will find themselves as a result of General Order Number 86 of the Department of Labor which relates to the daily crossing of the Canadian boundary to employment in the United States. I wish to assure you at the outset of the sincere desire on the part of this Government to continue the traditional freedom of mutual travel between Canada and the United States just as fully and completely as the provisions of the laws of this country relating to immigration will permit.

While it is realized that the law upon which General Order Number 86 is based, mandatorily modifies a long established practice, I should appreciate it if you would note that every effort was made in drafting that order to afford the most generous treatment possible under the law to all persons who acquired border crossing privileges before the effective date of the present Immigration Act of 1924. Further, every possible opportunity will be given to native-born Canadians to acquire legal status in the United States by the presentation of a non-quota visa and the single payment of the head tax in accordance with provisions of our immigration laws which are mandatory. The border-crossing privileges hitherto accorded such persons will be continued during such period as is necessary for them to obtain non-quota visas.

We are agreed, I think, that the main difficulty lies with the Canadian residents who are not native-born Canadians and who have acquired border-crossing privileges since the quota system became effective. It is appreciated that such persons are none the less the responsibility of your Government even though our immigration law, which, unlike Orders in Council, may not be modified except by act of the Congress, gives them a less favorable status than persons born in Canada. You will doubtless recall that the Immigration Act of 1921²⁷ placed foreign born persons who had resided in Canada one year upon an equality with natives of Canada with respect to entry into the United States; the same Act as extended and modified by the Act of 1922²⁸ increased the necessary period of residence to five years; while the Immigration Act of 1924 denied the non-quota privileges to Canadian residents born outside of Canada and made them chargeable to the quotas of the countries in which they were born. It is among the non-Canadian born who are quota aliens that the Order will cause some hardship. The number involved is not yet accurately known and the competent authorities express the belief that it will be found to be comparatively small. It is recognized nevertheless, that many persons within this class, through their inability to obtain quota visas within the prescribed period, will, under the terms of the Order, be

²⁷ 42 Stat. 5.

²⁸ 42 Stat. 540.

forced to relinquish employment in the United States which in certain cases they have enjoyed for a number of years. This would, I admit, constitute a hardship which I sincerely regret. I am sure you will appreciate that the large number of prior applicants whose desire to emigrate to the United States has been on record for some time at the Consulates in Europe and elsewhere and who must receive visas within the limited national quotas can not be deprived of the priority rights gained by such registration in favor of a particular group in any border city. Apart from the consideration that the law does not permit the creation of preferential classes in the discretion of the executive, fair dealing dictates that the obligations created by prior applications be scrupulously met.

In order to make sure that no unnecessary hardship shall be imposed upon persons in this category, consuls in the border cities have been directed to assist them in every possible way to obtain immigration visas under the provisions of the immigration law. The consuls will at once undertake the classification and listing of such persons in the course of which, if it appears that any individual is inadmissible to the United States or is chargeable to a quota against which the prior recorded demand is exceedingly heavy, he will be informed of his situation in order that he may make his plans accordingly. Those who obviously can not hope to receive immigration visas for some time to come because they are chargeable to small European quotas against which large demands now exist will be clearly informed of their status. In other words, a sincere endeavor will be made to reduce the uncertainties of the situation to the minimum.

The issue of quota visas will begin immediately after July 1 against allotments of quota numbers from the appropriate quotas which will be as large as prior applications against the quotas will permit and will proceed at the maximum rate allowed by the law. Before the expiration of the time limit specified in Order Number 86, within which aliens of this class must present quota visas, it will probably be found that all who have hitherto held border-crossing permits issued to them by the Department of Labor since the quota system became effective, will not, by reason of the numerical restrictions of the quota law, be able to receive immigration visas. Should this prove to be the case, I shall be glad at once to request the Secretary of Labor to allow further time in which these people may gain a status in conformity with the law and the Secretary has already assured me that any such request will receive the most sympathetic consideration possible.

Meanwhile, I shall be glad to confer with you whenever you desire it, and I am directing the officers of this Department to keep in touch with your Legation and to continue their studies of the sub-

ject with a view to clearing away, so far as can be done under existing law, all difficulties and dissatisfaction in regard to border crossing. Should these studies indicate that there are difficulties inherent in the law which tend to affect adversely the traditional friendly relations between Canada and this country, I shall make it a point to have the matter brought to the attention of the Congress when it convenes, and the Secretary of Labor assures me that he will cooperate to this end.

Accept [etc.]

FRANK B. KELLOGG

150.01 Commuters/90

The Canadian Minister (Massey) to the Secretary of State

No. 149

WASHINGTON, 8 June, 1927.

SIR: I have the honour to acknowledge the receipt of your Note dated May 28th. 1927, regarding the operation of General Order Number 86 of the Department of Labor of the United States. In so doing I desire to thank you for the careful and courteous consideration given by you and your officials to this subject at the conference held at the Department of State on May 12th. and on subsequent occasions.

I am instructed to inform you that His Majesty's Canadian Government is pleased to note that the Government of the United States desires to continue the traditional freedom of mutual travel between Canada and the United States. His Majesty's Canadian Government is gratified by your assurance that in the administration of this Order steps will be taken to avoid inflicting hardship on individuals so far as may be possible, and more particularly by your undertaking to ask the Secretary of Labor to extend the time set in the Order during which those who have to secure quota visas must comply with its terms, if it should become evident that these persons will be unable to secure quota visas by December 1st. 1927. The assurance of the Secretary of Labor that he will give to such a request the most sympathetic consideration possible is also noted with gratification. His Majesty's Canadian Government is pleased to learn that you and the Secretary of Labor are prepared to co-operate in bringing to the attention of the Congress any difficulties inherent in the law which may be indicated by a further investigation of this subject.

His Majesty's Canadian Government, however, regrets that the Government of the United States has not considered it possible to modify in any respect the terms of the Order at the present time, and that, in consequence, a long-standing and reciprocal arrangement between the two countries has been suddenly terminated. I have the honour to

lay before you, for the purpose of record, the views of His Majesty's Canadian Government on the issues involved.

For many years there has been reciprocal free movement over the border between the United States and Canada, a movement freer and involving a larger number of people than that between any other two countries in the world. This freedom of movement has been an outstanding demonstration of the close connection and friendship existing between the people of the two countries. The boundary is of such a character that the communities situated close to it on both sides must have many common interests. In some of these border communities the relationship has been so intimate that residents on one side of the frontier have been in the habit of crossing daily to the other side to engage in employment. This practice, as you are aware, is of many years standing. The Convention known as Jay's Treaty, concluded in 1794,²⁹ provided in Article 3:—

"It is agreed that it shall at all times be free to His Majesty's subjects and to the citizens of the United States and also to the Indians dwelling on either side of the boundary line freely to pass and repass by land or inland navigation into the respective territories and countries of the two parties on the Continent of America."

The broad principle which underlay this provision is clearly indicated in the statement contained in the concluding paragraph of the same Article:—

"This Article is intended to render in a great degree the local advantages of each party common to both and thereby to promote a disposition favourable to friendship and good neighbourhood."

The practice rooted in this understanding and in the unique conditions of border intercourse on this Continent has continued to this day. It has been most marked in the area adjacent to Windsor and Detroit and in the Niagara region. Though a large majority of the individuals who so cross the border daily are Canadians entering the United States, the practice is reciprocal, and a considerable number of citizens of the United States come to Canada each working day.

The Canadian authorities have always treated, and continue to treat, citizens of the United States entering Canada in this way as non-immigrants domiciled in the United States. The Government of the United States has until lately similarly regarded Canadians crossing daily to the United States, and has made regulations to facilitate their crossing the boundary by the issue of identification cards to these persons, whom they describe as "aliens who habitually cross and recross the boundary upon legitimate pursuits."

In the Windsor area, however, particularly during the last few months, the status of Canadians so situated has become increasingly

²⁹ Miller, *Treaties*, vol. 2, p. 245.

uncertain, especially the status of those who are not of Canadian birth. Many either have been definitely turned back at the border, or have been required to pay head tax and to secure immigration visas. The publication of General Order Number 86 has suddenly ended this growing uncertainty by providing that hereafter all who are employed in the United States while living in Canada are to be considered as immigrants to the United States.

His Majesty's Canadian Government does not question, of course, the right of the Government of the United States to determine what persons may be admitted to the United States. They wish, however, to express their view that the ending, without notice or negotiation, of this long-standing arrangement, under which economic interests have developed and communities have grown up in Canada dependent in part on employment in the United States, is a legitimate ground for concern. Ten years have elapsed since the passage by the Congress of the United States of the Immigration Act of 1917, and three years since the passage of the supplementary Act of 1924; no new legislation has been enacted since 1924 which affects the status of those who cross the border in this way, and the practice has been permitted to continue until the present time. The Order now applies for the first time to those who cross the border daily the provisions of the Act of 1924, three years after its passage.

As regards the general principle of the Order, the definition as an "immigrant" of one who is permanently domiciled in Canada and who enters the United States for a period of only eight or ten hours each working day, appears to be a departure from the ordinary meaning of the term, and seems to give to it a special sense in contradiction to customary usage. Immigration is generally considered to involve a change of domicile, and no other instance is known in which persons who retain in full their legal domicile and citizenship in one country are, at the same time, treated as immigrants to another country. In the view of His Majesty's Canadian Government, the interpretation of the term "immigrant" carried out in the practice which has been in force between Canada and the United States for many years is eminently fair and reasonable.

Certain exceptions to the operation of General Order Number 86 are made in Section 2 of the Order, by which the individuals who come within four specified classes are to continue to be admitted upon payment of head tax only. I understand that these exceptions are made to mitigate the hardship caused to individuals who began crossing the border before the passage of the Immigration Act of 1924. In Section 3 of the Order, all who have begun to cross the border since June 30, 1924, are given "a reasonable time, not to exceed six

months from June 1, 1927, within which to obtain immigration visas and otherwise comply with the laws". I am instructed to represent that for those who have to secure quota immigration visas the period of six months can hardly be regarded as "a reasonable time", except perhaps in a small number of cases in which the persons' names have for some time been on the waiting list for quota visas. As you already are aware, it is for those citizens of Canada who have to secure quota visas, numbering probably between four and six thousand, that His Majesty's Canadian Government feels an especial concern.

The laws of Canada make no distinction between citizens of Canadian birth and those of British or foreign birth who have acquired citizenship by domicile or naturalization, just as the laws of the United States make no distinction between native born and naturalized citizens. Unless some modification is made now or later, the effect of this Order will undoubtedly be to exclude from the United States the very large majority of these four to six thousand Canadian citizens who will be unable to secure quota visas before December 1, 1927. The number of persons seriously affected is a very small proportion of the population either of Canada or of the United States, but in the Windsor area it represents a very substantial percentage of the population of all ages, probably about fifteen per cent. In this area particularly the sudden dislocation of long established relations could hardly fail to have grave results.

The view of His Majesty's Canadian Government on the general principle of the Order has already been stated. With regard to its particular provisions, it is felt that in equity ample protection should be given to all who have been in the habit of crossing the border to work, irrespective of the date at which they began the practice, either by the extension of the exempted classes in Section 2, or by the elimination of the six months' time limit in Section 3, or by some other means. The interpretation given to the Immigration Act of 1924 up to the present time has encouraged the belief that the daily crossing of the border to employment in the United States was not affected by this Act. The retroactive aspect of the Order in excluding individuals who have been previously permitted by the Immigration authorities to enter the United States cannot, therefore, fail to cause ill-feeling and to work great hardship.

I shall be glad to accept the invitation which you cordially extend in the last paragraph of your Note to co-operate with your Department in studying these and other border-crossing difficulties; and I trust that in consequence a mutually satisfactory arrangement may be arrived at before long. In conclusion I take pleasure in assuring you that His Majesty's Canadian Government fully appreciates your

earnest desire, so clearly manifested in the discussions which have taken place on this subject, to preserve by practical means the traditional friendly relations between the United States and Canada.

I have [etc.]

VINCENT MASSEY

150.01 Commuters/98

The Canadian Minister (Massey) to the Secretary of State

No. 159

WASHINGTON, 13 June, 1927.

SIR: I have the honour to refer to your note of May 28th. 1927, and to my reply thereto, Number 149 of June 8th. 1927, regarding the operation of General Order Number 86 of the Department of Labor of the United States.

In the view of the competent authorities of His Majesty's Canadian Government, certain doubts may arise as to the interpretation to be given to some of the clauses of this Order. In order, therefore, to prevent, so far as may be possible, uncertainty as to their status among those affected by this Order, I have the honour to submit below a list of questions concerning its interpretation. I shall be glad if you will be so good as to transmit these questions to the proper authorities of the Government of the United States, and in due course to furnish me with the information requested:—

1. What is the status under the Order of Canadians born in countries to which the quota applies who began to cross the border between June 3rd. 1921, and June 30th. 1924, and who did not have the requisite residence qualifications at the time of their first admission to qualify under the provisions of Section 2 C and D. of the Order?

2. Will persons who fulfil the provisions of this Order, by the payment of head tax and by the presentation of visas when necessary, be able to continue to cross the border indefinitely without being required to pay head tax and to secure visas a second time?

3. Will persons who comply with the provisions of this Order at some future date be able to live in Canada and cross the border daily to work?

4. Will a person who is permitted under this Order to cross the border daily, and who at some future date changes his employment in the United States from one employer to another, be permitted to continue to cross the border?

5. What will be the status under the Immigration Laws of the United States of persons permitted to cross the border under Section 2 of the Order? Will they be considered to have been admitted as immigrants to the United States?

6. What is the meaning of the phrase at the end of the first paragraph of Section 2 "provided that they are not coming to seek employment"?

7. If a person permitted to cross the border under Section 2 of the Order ceases in the future to cross the border, will he be permitted to resume the practice at a later date?

For greater certainty regarding the exact meaning of the various classes of persons enumerated in Sections 2 and 3 of the Order, I submit in addition the following general enquiry:

Will the following classes of persons be able to continue to cross the border on compliance with the conditions set out after each class?

(a) Canadians, irrespective of national origin, who began to cross the border before May 1st. 1917, without payment of head tax or presentation of visas;

(b) Canadians, irrespective of national origin, who began to cross the border between May 1st. 1917, and June 3rd. 1921, upon payment of head tax;

(c) Native born Canadians who began to cross the border between June 3rd. 1921 and June 30th. 1924, upon payment of head tax.

(d) Native born Canadians who began to cross the border since June 30th. 1924, upon payment of head tax and presentation of a non-quota visa;

(e) Canadians born in countries to which the quota applies, who began to cross the border between June 3rd. 1921, and May 10th. 1922, and who had lived in Canada for one year before their first admission to the United States, upon payment of head tax;

(f) Canadians born in countries to which the quota applies, who began to cross the border between May 11th. 1922, and June 30th. 1924, and who had lived in Canada for five years before their first admission to the United States, upon payment of head tax;

(g) Canadians born in countries to which the quota applies, who began to cross the border after June 30th. 1924, upon payment of head tax and the presentation of a quota visa from the allotment of the country of their birth.

I have [etc.]

VINCENT MASSEY

150.01 Commuters/116

The Secretary of State to the Canadian Chargé (Wrong)

WASHINGTON, June 30, 1927.

SIR: I have the honor to refer to the Minister's note No. 159 of June 13, 1927, requesting certain information regarding the operation of the Department of Labor's General Order No. 86 and to advise you that the following replies have been made by the appropriate branch of the Government to the questions propounded by you.

The questions are taken up in the order in which they appear in the Legation's note, with the answers appended thereto.

"1. What is the status under the Order of Canadians born in countries to which the quota applies who began to cross the border between June 3rd, 1921, and June 30, 1924, and who did not have the requisite residence qualifications at the time of their first admission to qualify under the provisions of Section 2 C and D of the Order?

"A. The Order contemplates that where residence is a requisite, such residence must have obtained at the time of original admission.

"2. Will persons who fulfil the provisions of this Order, by the payment of head tax and by the presentation of visas when necessary, be able to continue to cross the border indefinitely without being required to pay head tax and to secure visas a second time?

"A. Persons who comply with the provisions of the Order are admitted as immigrants, and the immigration rules and regulations governing what constitutes abandonment of status, exemption from repayment of head tax, etc., for aliens so admitted are applicable.

"3. Will persons who comply with the provisions of this Order at some future date be able to live in Canada and cross the border daily to work?

"A. The answer to the preceding question would seem to answer this query.

"4. Will a person who is permitted under this Order to cross the border daily, and who at some future date changes his employment in the United States from one employer to another, be permitted to continue to cross the border?

"A. This question would also appear to be answered by the foregoing, the nature and place of employment being a matter of no particular concern.

"5. What will be the status under the Immigration Laws of the United States of persons permitted to cross the border under Section 2 of the Order? Will they be considered to have been admitted as immigrants to the United States?

"A. This question is answered in the affirmative. In fact, the whole tenor of the Order deals with such persons as immigrants and not as visitors.

"6. What is the meaning of the phrase at the end of the first paragraph of Section 2 'provided that they are not coming to seek employment'?

"A. The exemptions in the Order apply only to aliens entering in pursuance of existing employment, and not to persons seeking employment.

"7. If a person permitted to cross the border under Section 2 of the Order ceases in the future to cross the border, will he be permitted to resume the practice at a later date?

"A. This question is answered under query No. 2.

"All the questions under the captions (a), (b), (c), (d), (e), (f) and (g) are answered in the affirmative, with the restrictions already referred to."

Accept [etc.]

For the Secretary of State:

WILBUR J. CARR

Order Number 86 of the Department of Labor of the United States, and also to the numerous conversations which have taken place between members of your Department and this Legation on this subject. In the course of your note you were kind enough to employ the following language:

"Before the expiration of the time limit specified in Order Number 86, within which aliens of this class must present quota visas, it will probably be found that all who have hitherto held border-crossing permits issued to them by the Department of Labor since the quota system became effective, will not, by reason of the numerical restrictions of the quota law, be able to receive immigration visas. Should this prove to be the case, I shall be glad at once to request the Secretary of Labor to allow further time in which these people may gain a status in conformity with the law and the Secretary has already assured me that any such request will receive the most sympathetic consideration possible."

The time limit of December 1st. which was set in this Order is now only a few days away. It has become apparent that a considerable number of Canadian citizens, who have been freely permitted to cross the border daily to employment under permits issued to them by the Department of Labor, are unable to comply with the terms of the Order because they were born abroad, and cannot secure immigration visas chargeable to the quotas of their countries of birth by December 1st. I understand that there are registered at the various United States Consulates at border points, the names of some three thousand individuals who have been in the habit of crossing the border to employment, and who have applied without success for the issue of quota immigration visas. These three thousand individuals are therefore in the most imminent danger of being deprived of their means of livelihood.

I therefore venture to suggest that the time has come when the assurances made in the second of the sentences which are quoted above from your note, should be put into effect. I need not emphasize the desirability of reaching a rapid decision, nor the difficulties which will be incurred at the points principally affected, if no relief is afforded before December 1st. The view of His Majesty's Government in Canada, as expressed to you in my note of June 8th, remains unchanged. It sincerely hopes that you may find it possible to inform me immediately that the effects of the Order have been so modified as to permit at least those who have applied for immigration visas without being able to secure them, to continue to cross the border without difficulty.

You will doubtless note that I am now only requesting relief for those who have taken all steps in their power to comply with the terms of the Order. In your note of May 28th. you stated that the compul-

sory relinquishment by such persons of their employment in the United States, which they may have enjoyed for a number of years, would constitute a hardship which you sincerely regretted. I have every confidence that you will take all steps to avoid the infliction of this hardship, and to arrive at an equitable solution of this problem.

I have [etc.]

VINCENT MASSEY

150.01 Commuters/198

The Secretary of State to the Canadian Minister (Massey)

WASHINGTON, December 9, 1927.

SIR: I have the honor to refer to your note No. 281 of November 26, 1927, and to recent conferences held with you at the Department upon the subject of relief for those residents of Canada crossing the border daily for employment in the United States who have applied for quota immigration visas but who have been unable to obtain them prior to December 1, 1927, the time limit specified in General Order No. 86 of the Department of Labor within which they were to present such visas.

As you have already been informed, it has been found possible to grant a substantial measure of relief to the aliens in question by arranging that those who have gone as far as they could in order to comply with the terms of General Order No. 86, by registering as applicants for visas at the American Consulates on the border prior to December 1, 1927, shall have priority status as of the date when they were accorded the border-crossing privilege. It is believed that they will thus be able to obtain their visas and to satisfy the requirements of the American immigration laws as fast as their examination can take place by the immigration authorities on the American side of the border, they continuing meanwhile to enjoy their border-crossing privileges. This relief is afforded in an effort to remedy any injustice that may have been suffered by this class of quota aliens due to the probability that they understood prior to the promulgation of General Order No. 86, that they had complied with American law when they had applied for and obtained border-crossing permits and that it was not necessary for them to apply also for immigration visas.

The Departments of State and Labor believe that the situation which was created by General Order No. 86 has, as a whole, largely disappeared, so many adjustments in individual cases having been made under the terms of the Order during the six months' period afforded for that purpose which ended November 30, 1927. The change made in the priority status of quota commuters who have been unable to obtain visas, although having registered as visa appli-

cants prior to December 1, 1927, will, it is believed, afford all needed relief in those cases. Commuters born in Canada, on the other hand, may obtain non-quota visas upon application at a consulate and satisfying the consul as to their birth in Canada and their admissibility to this country under its immigration laws.

Accept [etc.]

For the Secretary of State:

WILBUR J. CARR

**DISINCLINATION OF THE CANADIAN GOVERNMENT TO AUTHORIZE
THE DISCONTINUANCE OF SEINE FISHING IN MISSISQUOI BAY**

711.428/1020

The Secretary of State to the British Ambassador (Howard)

WASHINGTON, April 13, 1926.

EXCELLENCY: I have the honor to invite your attention to the fact that pike-perch in Lake Champlain, which annually migrate to the Canadian waters of Missisquoi Bay at the northern end of the Lake for the purpose of spawning, are being taken with seines under licenses issued by the Canadian authorities. The spawning season usually lasts from about March first to April fifteenth and it is understood that the licenses are issued for this period, although it has been reported that individuals continue illegally to fish with seines until well along into the month of May. During this time when the fish are passing into the Canadian waters they are taken in very large quantities without having had an opportunity to spawn, thus serving to destroy in large measure the future supply of this valuable food fish.

The question of conserving the pike-perch fisheries in Lake Champlain was discussed by the American-Canadian Fisheries Conference held in 1918.³⁰ The report of this Conference, signed by the Commissioners for the United States and the Commissioners for the Dominion of Canada at Lake Champlain, New York, September 6, 1918,³¹ contained the following statement with reference to the protection of the fisheries of Lake Champlain:

"At the Boston hearings representatives from the States of New York and Vermont appeared to urge better protection of the fisheries in Missisquoi Bay, the Canadian portion of Lake Champlain. This matter had received preliminary consideration by the conference during its sittings in Washington, D. C.

³⁰ See American-Canadian Fisheries Conference, *Hearings at Washington, D. C., January 21-25; Boston, Mass., January 31, February 1; Gloucester, Mass., February 2; St. John, N. B., February 5-6, 1918* (Washington, Government Printing Office, 1918).

³¹ *Foreign Relations*, 1918, p. 439.

"It was explained that for some years past these two States, with the cooperation and assistance of the Federal Government, were endeavoring to make Lake Champlain a favorite tourist resort, as, owing to its character, it could not support any extensive commercial fishing. To this end both States were prohibiting all net fishing, but the most important spawning grounds for pike-perch, the most valuable fish in the lake, are in the portion thereof that is in Canadian territory, and there each spring, when the fish crowd into these waters to spawn, they are caught with seines. Thus the good effects of the work of the two States were being largely nullified.

"It was also explained that the United States Bureau of Fisheries operates a pike-perch hatchery on the lake and that it was prepared to enlarge the hatchery and increase its work if the net fishing were stopped.

"While this matter was not explicitly referred to the conference for consideration, it was one of which it could take cognizance. It was, therefore, left with the Canadian delegation for such action as they felt justified in taking.

"Following the return of the Canadian section to Ottawa, after hearings at St. John, it laid the facts before the Canadian Government, and recommended that all net fishing in Missisquoi Bay should be stopped. This recommendation was approved, and the fishery regulations for the Province of Quebec were amended accordingly by Order in Council of February 18, 1918." (Page 37)

The amendment, prohibiting net fishing in Missisquoi Bay and in the Canadian waters of Lake Champlain, was later incorporated in an Order in Council of October 22, 1921, which in turn was rescinded by a subsequent Order in Council, dated March 1, 1922.

Since the promulgation of the Order in Council of March 1, 1922, it appears that net fishing has been authorized in Missisquoi Bay under licenses issued by Canadian authorities, and that at the present time fish are being gathered in by seines night and day.

The harmful effect which this seining is having upon the Lake Champlain Fishery is apparent.

I have the honor, therefore, to express the hope that you will present the matter to the Government of Canada and ascertain whether that Government would be willing to cooperate with this Government in conserving this fishery by prohibiting net fishing in the Canadian waters during the spawning season. If the prohibition inaugurated by the Order in Council of February 18, 1918, were reestablished by the Canadian authorities, it would be a source of gratitude to the United States and particularly to the people living in the vicinity of Lake Champlain, who feel greatly aggrieved at the existing practice. It is suggested that the furtherance of good will which discontinuance of the seining would occasion would no doubt outweigh the economic loss to individuals who have profited from the seining operations. Since this Government understands

that the operations complained of are now being vigorously prosecuted, it is hopeful that the Canadian authorities may see their way clear to take immediate action in the premises. I shall appreciate it if you will inform me as soon as feasible as to the disposition of the Canadian Government in this matter.

Accept [etc.]

FRANK B. KELLOGG

711.428/1038

The British Ambassador (Howard) to the Secretary of State

No. 393

WASHINGTON, June 7, 1926.

SIR: With reference to your note No. 711.428/1020 of April 13th last regarding the pike-perch fisheries in Lake Champlain, I have the honour to inform you at the request of the Government of Canada, that enquiries made through the Department of the Province of Quebec which administers fisheries in that area, indicate that while some illegal fishing was attempted in April, the seines and other apparatus were immediately seized and an official of the Department, who has since made a thorough investigation, has reported that conditions are now entirely satisfactory.

As set forth in your note under reference, the question of prohibiting seining in the Missisquoi Bay was considered by the Canadian-American Fisheries Conference of 1918, and in anticipation of the different questions that had been referred by the two Governments to the Conference being settled by the acceptance of its report by both Governments, a regulation was adopted by Order in Council of February 18th, 1918, prohibiting fishing by means of nets of any kind in Missisquoi Bay. This regulation was maintained in the face of growing objection to it until March 1st, 1922, up to which time the recommendations of the Conference, though they had been approved by the Canadian Government, had not been approved by that of the United States and there was no immediate indication that they would be.

Missisquoi Bay is in the Province of Quebec, where the fisheries are being administered by the Provincial authorities, which consequently issue any licenses which authorize fishing there. The statement in your note abovementioned that it has been reported that individuals continue to fish in the Bay during the close season is being communicated to the Provincial authorities for proper attention.

It will be recalled that the Treaty of 1908 for the regulation of the fisheries in boundary waters³² covered not only Missisquoi Bay, but other waters as well. The regulations adopted by the Commission

³² *Foreign Relations*, 1908, p. 379.

appointed under that Treaty failed to receive the approval of the United States Senate and so did not become effective.

In the light of the above, the Dominion Government are of the opinion that the situation should be dealt with as a whole rather than that Missisquoi Bay should be considered by itself.

I have [etc.]

ESME HOWARD

711.428/1072

The Acting Secretary of State to the Canadian Minister (Massey)

WASHINGTON, March 1, 1927.

SIR: I have the honor to invite your attention to the situation regarding pike perch fisheries in Lake Champlain which in former years has been a subject of correspondence between the Department and the British Embassy. In note No. 393 of June 7, 1926, the Ambassador stated that it was the Canadian Government's view that fishing in boundary waters should be considered as a whole rather than that the fishing in Missisquoi Bay should be considered separately.

While this Government appreciates the Dominion Government's position as set out in the Ambassador's note, it believes that the interests of the people on both sides of the international boundary require the discontinuance of seine fishing in Missisquoi Bay, independent of the solution of questions relating to fisheries in other boundary waters. This Government understands that in the Lake Champlain region the interests of the summer angler are of greater financial importance to the resident people than market fisheries could be. You will recall that the American-Canadian Fisheries Conference of 1918 found that the work of the States of New York and Vermont directed toward the building up of the Lake Champlain region as a summer resort was being "largely nullified" by seine fishing in the Canadian part of Missisquoi Bay. The benefits of the fish hatcheries in the American section of the Lake are likewise impaired by the seine fishing.

This Government appreciates the importance of adequately protecting and regulating fishing in all the boundary waters through the cooperation of the governments of the United States and Canada. It is a matter of regret to it that questions of a local nature have delayed it in undertaking negotiations in regard to the fisheries in certain waters. However, this Government is hopeful that in respect of the fisheries in every part of the boundary waters in relation to which no serious questions have arisen the Dominion Government will find it possible to cooperate in the preservation of the permanent interests of the people immediately concerned.

In view of the opening of the season in which seine fishing in Lake Champlain has been permitted, which is now approaching, I have the honor to request that you bring the views of this Government to the attention of the Government of Canada with the suggestion that, if the Dominion Government finds it practicable to prohibit the use of seines in Missisquoi Bay, this Government will appreciate such action being taken.

Accept [etc.]

JOSEPH C. GREW

711.428/1089

The Canadian Minister (Massey) to the Secretary of State

No. 53

WASHINGTON, 22 March, 1927.

SIR: With reference to your note No. 711.428/1072 of March 1st. on the subject of the pike perch fisheries in Lake Champlain, I have the honour to state that the competent Department of the Dominion Government which has had the matter under consideration, represents that the conditions affecting the situation in Lake Champlain remain unchanged, such conditions being briefly outlined in the following manner.

It is explained that the fisheries of Missisquoi Bay are the property of the province of Quebec and are being administered by the Provincial authorities, who are opposed to the prohibition of a reasonable amount of seine fishing in the Bay, though while pike perch or pickerel resort to the Bay for spawning purposes fishing for them is prohibited during the spawning season. While the exclusive power to make regulations in all parts of Canada rests with the Federal Government, in an area where the fisheries are owned and are being administered by the Provincial authorities, the Federal Government hesitates to impose regulations that are not desired by the Provincial authorities unless the conditions are extraordinary in their character.

Although the question of fishery regulations in Lake Champlain was not referred to the Canadian American Fisheries Conference in 1918, it was brought to the attention of the Conference by delegations representing the States of New York and Vermont, and indeed the question was raised by the American members of the Conference at its preliminary sittings. It was at the time anticipated that the recommendations of the Conference would be approved by both countries, and accordingly as the fishing season was then approaching, on the recommendation of the Canadian members of the Conference to their Government, a regulation was adopted in February 1918, prohibiting all net fishing in Missisquoi Bay. The Conference completed its work and submitted its report in September 1918, and its recommendations were subsequently approved by the Canadian

Government, though such approval was not given by the United States Government. The regulation was, however, maintained in the face of continuously growing opposition until March 1922, when it was annulled as there was no indication at that time that the recommendations of the Conference would be approved.

Attention is further called by the Department to the fact that the Missisquoi Bay situation was covered by the Treaty of 1908 for the regulation of the fisheries in boundary waters, but that the regulations drawn up by the Commission appointed under that Treaty failed to receive the approval of the United States Senate.

After consideration of all circumstances, the Canadian Government is still of opinion that the Missisquoi Bay situation should be dealt with in connection with other outstanding matters and not by itself and I am accordingly requested in bringing their views to the notice of the United States Government, to take advantage of the opportunity to dwell upon the importance of early attention being given to the settlement of the outstanding fishery questions between the two countries.

I have [etc.]

VINCENT MASSEY

711.428/1089

The Secretary of State to the Canadian Minister (Massey)

WASHINGTON, March 30, 1927.

SIR: I have the honor to acknowledge the receipt of your note No. 53 of March 22, 1927, relating to seine fishing in the Missisquoi Bay section of Lake Champlain.

I note with regret that the Canadian Government does not deem it advisable to discontinue the issuance of licenses for such seine fishing at this time.

Accept [etc.]

FRANK B. KELLOGG

CHILE

PROPOSED TREATY OF FRIENDSHIP, COMMERCE AND CONSULAR RIGHTS BETWEEN THE UNITED STATES AND CHILE

711.252/-

The Secretary of State to the Ambassador in Chile (Collier)

No. 765

WASHINGTON, August 19, 1927.

SIR: This Government has, as you are aware, entered upon the policy of negotiating with other countries general treaties of friendship, commerce and consular rights, of which the central principle in respect of commerce is an unconditional most-favored-nation clause governing customs and related matters.¹ This policy was inaugurated pursuant to the principles underlying Section 317 of the Tariff Act of 1922;² it seeks assurances that equality of treatment for American commerce will be maintained in all countries. Besides the provisions relating to commerce, those treaties include provisions relating to rights of nationals of each country in the other country, protection of property and rights and immunities of consuls.

Reference is made in this connection to the Department's Diplomatic Serial No. 211, dated August 18, 1923,³ and to the Embassy's despatch No. 346, December 20, 1923.⁴ The Department's program of negotiating commercial treaties was delayed pending the favorable action of the United States Senate on the first treaty drafted in accordance with the new policy, the ratification of which treaty was not consented to until 1925. This Government is now prepared to enter into such a treaty with Chile and desires to do so as promptly as practicable.

The first treaty to become effective expressing the present policy of this Government was the Treaty of Friendship, Commerce and Consular Rights with Germany, signed December 8, 1923, ratifications of which were exchanged October 14, 1925.⁵ Similar treaties have been signed by the United States with Hungary, Esthonia and Salvador, of which the ones with Esthonia and Hungary have been brought into force by exchange of ratifications.

¹ See *Foreign Relations*, 1923, vol. I, pp. 121 ff.

² 42 Stat. 858, 944.

³ *Foreign Relations*, 1923, vol. I, p. 131.

⁴ Not printed.

⁵ For treaties and *modi vivendi* hereafter referred to in this instruction and not cited therein, see footnotes to instruction No. 1162, Aug. 21, 1926, to the Ambassador in Brazil, *Foreign Relations*, 1926, vol. I, p. 569.

A treaty containing the unconditional most-favored-nation clause was signed with Turkey on August 6, 1923. About a dozen other treaties containing it are in process of negotiation. *Modi vivendi* based upon the same principle, entered into with the following countries, are in force—Brazil, Czechoslovakia, Dominican Republic, Finland, Greece, Guatemala, Haiti, Latvia, Lithuania, Nicaragua, Poland (including Danzig), Rumania and Turkey.

Two copies of the treaty of December 8, 1923, with Germany are enclosed.⁶ You are requested, unless you perceive objection, to inquire whether it would be agreeable to the Government of Chile to proceed to the negotiation with the United States of a similar treaty. A special draft will, of course, be prepared for presentation to Chile if this proposal is acceptable to the Chilean Government. It is probable that certain departures from the text of the German treaty should be made either in the special text to be submitted to the Government of Chile or, on behalf of either party, during the course of negotiations.

It would be gratifying if, among its early treaties embodying the principle of unconditional most-favored-nation treatment, the United States could celebrate a general commercial treaty with Chile. The lack of a general commercial treaty with Chile since the Convention of Peace, Amity, Commerce and Navigation, concluded May 16, 1832,⁷ was terminated on January 20, 1850, is a matter of regret to this Government and it hopes that a comprehensive modern agreement may now be entered into. You will of course keep in mind in this connection that a most-favored-nation clause with a condition, such as that contained in the first sentence of Article II of the Treaty of 1832, would not now be acceptable to the United States.

For your confidential information, though the Department, in proposing a treaty with Chile, is influenced chiefly by its policy of concluding with other countries generally treaties containing the unconditional most-favored-nation clause, you are nevertheless desired to use especial diligence in seeking a favorable response from the Chilean Government, thus forestalling any efforts that other countries may be planning to make for the purpose of interposing in South America arrangements based upon special privilege—a policy wholly antagonistic to the policy of equality of treatment which the United States is undertaking to promote. You may recall in this connection that in 1923 this Government renounced the preferential customs treatment which certain American products had been receiving in Brazil and requested instead a pledge of equal footing with other countries in the Brazilian market.⁸

⁶ *Foreign Relations*, 1923, vol. II, p. 29.

⁷ Miller, *Treaties*, vol. 3, p. 671.

⁸ See *Foreign Relations*, 1923, vol. I, pp. 453 ff.

For your further confidential information and guidance, the Department was informed some time ago that there was a movement on the part of Spain to seek from the countries of Latin America special commercial concessions in return for certain advantages to be accorded to their commerce in Spain. In this connection see the Department's circular instruction dated April 19, 1926.⁹

Reference is made confidentially to the Embassy's despatch No. 346 of December 20, 1923, which touched *inter alia* on the possibility that the Chilean Government would desire some exception to the most favored nation clause covering either the Latin American countries as a whole or, more specifically, Bolivia and Argentina. While it would appear inadvisable to raise the question of exceptions in any discussions with the Chilean Government, the Department suggests that, in case Chilean officials should introduce the matter, you might assume an attitude of discouraging the exemption of any large group of countries, and in case the suggestion is made that one or two specific countries should be exempted, you might state that you will report the matter to Washington. You will of course avoid any commitment.

The Department either has transmitted or expects at an early date to transmit instructions, similar to the present instruction, to the American missions in the other South American capitals except Ecuador, the political regime now functioning in which is not recognized by the United States, and, at least for the present, Panama, with which there remains pending an important treaty of a different character.¹⁰

I am [etc.]

FRANK B. KELLOGG

711.252/3 : Telegram

The Ambassador in Chile (Collier) to the Secretary of State

SANTIAGO, October 6, 1927—6 p. m.

[Received October 7—9:03 a. m.]

146. Minister of Foreign Affairs after studying German treaty is willing to negotiate on those general conditions but says Bolivia would have to be excepted because of economic situation and existing treaties and future political reconciliation. Last night Under Secretary told me both Peru and Bolivia would have to be excepted but Minister of Foreign Affairs mentioned only Bolivia. I told Under Secretary exception was too great. Minister of Foreign Affairs said he would have to create a commission on which Minister of Hacienda

⁹ Not printed.

¹⁰ i. e., the unperfected treaty between the United States and Panama, signed July 28, 1926. See *Foreign Relations*, 1926, vol. II, pp. 828 ff.; also *ibid.*, 1927, vol. III, pp. 484 ff.

and Minister of Fomento would be represented. . . . Minister of Foreign Affairs said he would discuss matter with two colleagues mentioned and perhaps could give me a memorandum Monday, but when I asked if he would like to have you prepare a draft treaty he said yes enthusiastically. I suggest you rush it to me unless you can cable me what to draft by reference to German treaty. I have presented matter in such a manner that Minister of Foreign Affairs almost thinks he suggested it and I believe I have convinced him that to conclude a treaty would cover him with glory. [Paraphrase.] He informed me that he had recently negotiated commercial conventions with Germany and Spain. [End paraphrase.] I do not believe this is generally known. He assured me that nothing in them would prevent entering into treaty with us along these lines, that there is no favor granted that would be obstacle to our negotiations. I think I have inspired Minister of Foreign Affairs with desire to negotiate at once and it is barely possible that a treaty could be concluded in time to submit to Congress at its special session which it is now thought will convene on October 17th.

I do not think any treaty can be concluded unless Bolivia is excepted and it is likely that Congress will insist Peru also be excepted. Minister of Foreign Affairs thinks congressional discussion would make it impossible to conclude a treaty in less than two months. Under Secretary says six months because of necessity of consulting Chamber of Commerce for promoting national industry, et cetera.

COLLIER

711.252/3 : Telegram

The Secretary of State to the Ambassador in Chile (Collier)

WASHINGTON, October 14, 1927—7 p. m.

52. Your 146, October 6th, 6 p. m. Please draft treaty on basis of treaty with Germany as follows and submit it to the Foreign Office. All references herein are to Articles of that Treaty. Articles of your draft when completed will have to be renumbered.

Use without change Articles 2, 3, 4, 5, 6, 8, 9, 10; 17 to 28 both inclusive. Strike out entirely articles 14, 15 and 30. Use other articles amended as follows.

Preamble. Substitute "Chile" for "Germany" and leave names of plenipotentiaries blank.

Article 1. Remove brackets from last paragraph and rewrite as follows: "Nothing contained in this Treaty shall be construed to affect existing statutes of either of the High Contracting Parties in relation to the immigration of aliens or the right of either of the High Con-

tracting Parties to enact such statutes." (See Treaty Series Number 736.)¹²

Article 7. Use paragraphs 1, 3 and 6 without change. In paragraph 2, line 4, after "or" insert "charges or bases of such duties or charges and no." In line 4 substitute "or" for "and no." In line 8 after "other" insert "from whatever place arriving." At the end of paragraph 2 add "nor shall any such duties, charges, conditions or prohibitions on importations be made effective retroactively on imports already cleared through the customs or on goods declared for entry into consumption in the country." Between paragraphs 3 and 4, insert the following paragraph:

"In the event of licenses being issued by either of the High Contracting Parties for the importation into or exportation from its territories of articles the importation or exportation of which is restricted or prohibited, the conditions under which such licenses may be obtained shall be publicly announced and clearly stated in such a manner as to enable traders interested to become acquainted with them; the method of licensing shall be as simple and unvarying as possible and applications for licenses shall be dealt with as speedily as possible. Moreover, the conditions under which such licenses are issued by either of the High Contracting Parties for goods imported from or exported to the territories of the other Party shall be as favorable with respect to commodities, formalities and otherwise as the conditions under which licenses are issued in respect of any other foreign country. In the event of rations or quotas being established for the importation or exportation of articles restricted or prohibited, each of the High Contracting Parties agrees to grant for the importation from or exportation to the territories of the other Party an equitable share, in view of the normal volume of trade in the particular class of goods between the two countries, in the allocation of the quantity of restricted goods which may be authorized for importation or exportation. In the application of the provisions of this paragraph no distinction shall be made between direct and indirect shipments. It is agreed, moreover, that in the event either High Contracting Party shall be engaged in war, it may enforce such import or export restrictions as may be required by the national interest."

In paragraph 4, line 3, after "extend" insert "by treaty, law, decree, regulation, practice or otherwise." For paragraph 5, use corresponding paragraph of Treaty with Esthonia, which includes goods exported as well as goods imported, and substitute therein "Chile" for "Esthonia." Between paragraphs 5 and 6 insert new paragraph as follows:

"In the same manner there shall be perfect reciprocal equality in relation to the flags of the two countries with regard to bounties, drawbacks and other privileges of this nature of whatever denomination which may be allowed in the territories of each of the Contracting Parties, on goods imported or exported in national vessels

¹² Treaty of Dec. 23, 1925, with Estonia, *Foreign Relations*, 1925, vol. II, p. 70.

so that such bounties, drawbacks and other privileges shall also and in like manner be allowed on goods imported or exported in vessels of the other country."

In paragraph 7 strike out lines 2 to 5 inclusive and 7 to 12 inclusive. Compare with last paragraph of Article 7 of the Treaty with Esthonia. A new Article relating to customs procedure will be transmitted later for insertion immediately after Article 7. Do not postpone submission of draft to Foreign Office pending its receipt.

Article 11. In lines 22 and 27 substitute "High Contracting Parties" for "United States."

Article 12. Add at end of second paragraph a new sentence as follows: "If such consent be given on the condition of reciprocity the condition shall be deemed to relate to the provisions of the laws, National, State or Provincial under which the foreign corporation or association desiring to exercise such rights is organized."

Article 13. Strike out the last sentence of the first paragraph.

In place of original articles 14 and 15 insert the following Article of two paragraphs

"Commercial travelers representing manufacturers, merchants and traders domiciled in the territories of either High Contracting Party shall on their entry into and sojourn in the territories of the other Party and on their departure therefrom be accorded the most favored nation treatment in respect of customs and other privileges and of all charges and taxes of whatever denomination applicable to them or to their samples.

If either High Contracting Party require the presentation of an authentic document establishing the identity and authority of a commercial traveler, a signed statement by the concern or concerns represented, certified by a consular officer of the country of destination shall be accepted as satisfactory."

Article 16. Strike out "of the United States" from line 11. In lines 22 and 23 substitute "or to any discrimination" for "and shall be given national treatment." Substitute "or any other matter" for "and all other matters."

Article 29. Strike out everything following "zone" in line 12.

Article 32. Substitute "Spanish" for "German." Leave name of City and date blank.

Omit Senate resolution. Reservation regarding immigration is incorporated in text of draft as last paragraph of Article 1. Department will instruct you further regarding reservation as to national treatment of shipping. Prepare draft but do not present it pending further instructions.

The complete text will be forwarded by early pouch. Consideration is being given in regard to exception of treatment accorded Bolivia and Peru.

KELLOGG

711.252/6 : Telegram

The Ambassador in Chile (Collier) to the Secretary of State

SANTIAGO, October 24, 1927—4 p. m.

[Received 9:10 p. m.]

161. Your telegram 52, October 14, 7 p. m. Am uncertain whether the Department wishes me to submit draft of commercial treaty to the Foreign Office as stated in two places or whether it wishes this withheld pending further instructions as distinctly stated in end of message. Please cable instructions.

Minister of Foreign Affairs tells me Minister of Hacienda and new Minister of Fomento or Promotion are considering the treaty in principle. Minister of Hacienda is said to oppose waiver of power to grant special favors.

Special session of Congress not yet called owing to disturbed internal political conditions . . . These have preoccupied the attention of the Cabinet so that treaty could not have been presented advantageously last week even if that were your desire. Moreover rumors of Cabinet organization would have made such a move useless. It is now thought Congress may convene middle of November.

COLLIER

711.252/6 : Telegram

The Secretary of State to the Ambassador in Chile (Collier)

[Paraphrase]

WASHINGTON, October 27, 1927—6 p. m.

56. Embassy's telegram number 161, October 24, 4 p. m. Please cable Department whether you think any material prejudice to negotiations would result if we deferred submittal of draft treaty until the middle of November or thereabouts, so as to allow time for further consideration of question whether to include in draft treaty substance of United States Senate reservation regarding national treatment of shipping.

KELLOGG

711.252/8 : Telegram

The Ambassador in Chile (Collier) to the Secretary of State

SANTIAGO, October 30, 1927—noon.

[Received 5 p. m.]

164. Your telegram 56, October 27, 6 p. m. Believe postponement desirable, will promote ultimate success. Special session of Congress not yet called and date uncertain. Every measure in which we are

[interested?] is now in as good shape as can be hoped for. Political situation again tranquil.

Have been invited to make trip on Thursday this week to Buenos Aires, Paraguay and Iguassu. Will be gone about 15 days but can return immediately if occasion should arise. I am greatly in need of rest and request immediate cable permission so as to make arrangements. Hofer will be in charge.

COLLIER

711.252/4

The Secretary of State to the Ambassador in Chile (Collier)

No. 788

WASHINGTON, November 2, 1927.

SIR: There is transmitted herewith for submission to the Foreign Office for negotiation between the United States and Chile a draft of a treaty of Friendship, Commerce and Consular Rights which already has been the subject of preliminary instructions. A copy of the draft is enclosed for the use of the Embassy.¹³

Detailed instructions in regard to each article of the draft will be sent to you by an early pouch. The following statements in explanation of the more important differences between the enclosed draft and the Treaty of Friendship, Commerce and Consular Rights signed by the United States and Germany, December 8, 1923, are made for your information and for use in explanations to the Chilean authorities.

The reservation concerning statutes relating to the immigration of aliens made by the Senate of the United States in giving its advice and consent to the ratification of the treaty between the United States and Germany is incorporated in the draft as the last paragraph of Article I. The reservation making provision for the termination at the end of one year of the paragraphs of Article VII relating to the treatment of vessels and Articles IX and XI (Articles X and XII of the enclosed draft) is not included in the enclosed draft. Further reference will be made to this reservation.

The fourth paragraph of Article VII is designed to assure equality of treatment in respect of licenses, quotas and contingents for the importation or exportation of restricted goods. In practice it has been difficult to obtain such equality of treatment for the commerce of the United States in certain European countries in which systems prohibiting or restricting the importation or exportation of certain goods have been in force, and from which prohibitions or restrictions abatements are made by contingents or licenses.

¹³ Not printed.

This Government desires that the paragraph be included in the treaty with Chile as it is undertaking to have it included in all the treaties of Friendship, Commerce, and Consular Rights, which it is now negotiating.

Stipulations in regard to prohibitions, restrictions and licenses are contained in the International Convention Relating to the Simplification of Customs Formalities signed at Geneva, November 3, 1923, in Article 9 of the Anglo-Austrian Treaty of May 22, 1924, and in a provision contained in the second paragraph of Exchanges of Notes signed by the United States with a number of countries, namely,—

Poland, February 10, 1925, Treaty Series No. 727; Finland, May 2, 1925, Treaty Series No. 715; Esthonia, March 2, 1925, Treaty Series No. 722; Rumania, February 26, 1926; Treaty Series No. 733; Latvia, February 1, 1926, Treaty Series No. 740; Lithuania, December 23, 1925; Treaty Series No. 742; and Haiti, July 8, 1926, Treaty Series No. 746.

The seventh paragraph of Article VII providing for equality of treatment of vessels with regard to bounties, drawbacks and other privileges, although not contained in the treaty between the United States and Germany is included in a number of the older treaties to which the United States is a party, and this Government desires to have it included in the treaties of Friendship, Commerce, and Consular rights, which it shall sign hereafter with maritime countries.

The sentence at the end of the second paragraph of Article XIII "If such consent be given on the condition of reciprocity the condition shall be deemed to relate to the provisions of the laws, National, State, or Provincial, under which the foreign corporation or association desiring to exercise such rights is organized" is designed for use in treaties with countries in which the right of a corporation organized under the laws of the United States to engage in business is conditioned on reciprocity. This provision would have the effect of obtaining for American corporations in Chile in the event that the laws of Chile in relation to the right of a foreign corporation to engage in business contain a condition of reciprocity, the right to engage in business according to whether the laws of the State of the United States under which such corporation is organized extend the right to engage in business to foreign corporations.

The reservation making provision for the termination of paragraphs and articles relating to shipping made by the Senate in giving its advice and consent to the ratification of the treaty with Germany is included in the Treaty with Esthonia as the third para-

graph of Article XXIX. As stated above on page 2 of this instruction no corresponding reservation is included in the enclosed draft. The Department will instruct you by telegram whether to include such a paragraph in the draft before submitting it to the Chilean Government or at any time during the negotiations.

If it be included it will be added as the third paragraph of Article XXX. The words "Except as provided in the third paragraph of this Article" will be inserted at the beginning of the first paragraph of Article XXX and the new paragraph will read as follows:

"The sixth and seventh paragraphs of Article VII and Articles X and XII shall remain in force for twelve months from the date of exchange of ratifications, and if not then terminated on ninety days previous notice shall remain in force until either of the High Contracting Parties shall enact legislation inconsistent therewith when the same shall automatically lapse at the end of sixty days from such enactment, and on such lapse each High Contracting Party shall enjoy all the rights which it would have possessed had such paragraphs or articles not been embraced in the Treaty".

Further comment in regard to the differences between the enclosed draft and the treaty of the United States with Germany will be included in the detailed instructions.

When presenting the draft to the Foreign Office please state that this Government reserves the right to propose changes therein throughout the course of the negotiations. Please inform the Department by telegram of the receipt of this instruction. You will, of course, not present the draft to the Foreign Office, until the Department sends you a further communication authorizing you to do so.

I am [etc.]

FRANK B. KELLOGG

**REPRESENTATIONS TO THE CHILEAN GOVERNMENT REGARDING
PROPOSED LEGISLATION FAVORING CHILEAN MERCANTILE MA-
RINE**

625.003/101 : Telegram

The Ambassador in Chile (Collier) to the Secretary of State

SANTIAGO, August 22, 1927—11 a. m.

[Received 12:35 p. m.]

109. Chilean Government special commission appointed to study problem of promoting merchant marine is considering the recommendation of preferential customs duties on importations in national vessels. This will greatly injure Grace Line which has asked my assistance in pursuance of informal representations as to injury this is likely to do commercial interests but would appreciate specific instructions.

COLLIER

825.85/41 : Telegram

The Ambassador in Chile (Collier) to the Secretary of State

SANTIAGO, August 25, 1927—4 p. m.

[Received 8:30 p. m.]

111. Supplementing my 109, August 22, 11 a. m. Government's proposed law for American [*Chilean?*] national mercantile marine has been published. Synopsis is as follows:

1. Chilean Government to repay steamers amount of Panama Canal tolls. This will give steamers *Teno* and *Aconcagua* practically \$115,000 United States gold yearly. The commission which reported bill is said to have declared that this subvention is to offset "a direct compensation paid by the American Government equivalent to tolls".

2. Shippers of nitrate in Chilean vessels are to receive a premium.

3. Ten percent reduction in customs duties to be allowed on imports in Chilean vessels.

4. Minister of Hacienda is empowered to raise loans for account of Chilean companies for the purchase of new vessels, such loans to be granted by the Government and vessels to be mortgaged to the Government and companies' dividends in excess of 10 percent to be equally divided between stockholders and Government.

5. Law if enacted to go into effect January 1st, 1928.

British and other European shipowners have asked their Governments to make protests before Chilean Government especially with regard to points 1 and 2.

Manager of Grace Line to make protests before Chilean Government especially with regard to points 1 and 2.

Manager of Grace Line asks me to aid and says proposed measures would be decisively detrimental to Grace Line and appears to be especially directed against its service between Chile and New York, inasmuch as there are no established Chilean lines between Chile and European ports.

I request instructions and respectfully suggest that in view of strong movement for promoting national objects mere representations as to general desirability that nothing at all be done to hurt mutual commercial interests will not be sufficient. [Paraphrase.] If we are to secure moderation of Chile's present mood, I think more concrete representations will be necessary, such as would be used between business competitors. I do not mean, however, to recommend—and not at all under present conditions—anything suggestive of retaliation, although I have a feeling that a firm policy of defense by the United States is necessary. I shall take no action until I receive instructions. [End paraphrase.]

COLLIER

825.85/42 : Telegram

The Ambassador in Chile (Collier) to the Secretary of State

SANTIAGO, August 30, 1927— 3 p. m.

[Received 6 p. m.]

115. Government has sent to Congress project of law embodying all points of my 111, August 25, 4 p. m., except point 2. Omission of latter will probably greatly diminish opposition to bill by British shipowners and eliminate that of other nations. Grace Line is seriously and almost solely threatened. I renew request for instructions by cable.

COLLIER

825.85/42 : Telegram

The Acting Secretary of State (Castle) to the Ambassador in Chile (Collier)

[Paraphrase]

WASHINGTON, August 31, 1927—6 p. m.

37. Embassy's telegrams: No. 109, August 22, 11 a. m.; No. 111, August 25, 4 p. m.; No. 115, August 30, 3 p. m.

1. It is the feeling of the Department that objection may properly be raised by the Government of the United States with respect to point 3 in Embassy's synopsis of proposed law and also with respect to preferential export duties or bounties of similar effect should measures such as those contemplated in point 2 be brought up again.

You should try in every proper way to dissuade the Government of Chile from applying the above discriminatory measures, pointing out that Chilean ships and their cargoes pay the same duties and charges in American ports as American ships and their cargoes, and that the failure of Chile to accord reciprocal treatment to American ships would be viewed by the Government of the United States with the greatest regret. You may say also the policy of national treatment of shipping has become almost universal and that according to available information only two nations at the present time depart therefrom. Almost invariably such discriminatory policies lead to controversies with other states.

2. The following is for your information and guidance. The two nations to which reference is made above are Mexico and Portugal. In the case of the latter, representatives of maritime nations have made strong representations.¹⁴

3. As to point 1, while the Government of the United States does not question the legal right of nations to subsidize shipping, yet it must point out that the granting of subsidies to ships using the Panama

¹⁴ Correspondence not printed.

Canal, with the avowed object of relieving such ships of the burden of tolls which competing ships are obliged to pay, would change the present status whereby the Canal is used by vessels of all countries on an equal footing. The Government of the United States would view with concern any step which would tend to substitute for the present regime of equality in the use of the Canal one of special advantage. You may discuss this matter in the above sense with the appropriate authorities. If these authorities should refer to mail payments to the Grace Line by the Government of the United States, you may indicate that these payments have no relation to Canal tolls and that similar payments are made by the Government of the United States to lines operating in other parts of the world.

For your information. The Department understands that payments to the Grace Line for carrying United States mail to the west coast of South America during the fiscal year ending June 30, 1927, amounted to \$284,801, and to the Chilean Line, the Compañía Sud Americana de Vapores, whose ships it is proposed to subsidize, \$50,883. The Grace Line employs four ships and has approximately two sailings a month, while the Chilean Line employs two ships and has one sailing a month. Possibly it was the disparity in such payments which prompted the recommendation of a subsidy to the Chilean Line. It may be useful in this connection to ascertain the payments by the Chilean Government to the two companies for carrying the mail.

On the basis of its present information regarding point 4 the Department perceives no grounds for objection.

It is the desire of the Department to conclude a general commercial treaty with Chile containing provisions for reciprocal national treatment of shipping. On August 19 instructions were mailed to you.¹⁵ Kindly employ especial diligence to prevent the adoption of a policy so gravely at variance with United States treaty aims.

Inform Department fully of any action by you. In case you discuss the question with your colleagues, you should be careful to avoid any suggestion of joint action. You should not threaten retaliation in any discussions with Chilean officials.

CASTLE

825.85/43 : Telegram

The Ambassador in Chile (Collier) to the Secretary of State

SANTIAGO, September 1, 1927—3 p. m.

[Received 4:45 p. m.]

118. Supplementing my 115, August 30, 3 p. m. Proposed law omitted paragraph 2 of commission's recommendations because section

¹⁵ *Ante*, p. 517.

17 of nitrate law already gives President power to pay bounty to producers who ship on Chilean ships. Much anxiety amongst diplomats of shipping countries, all cabling their Governments for instructions.

COLLIER

825.85/44 : Telegram

The Ambassador in Chile (Collier) to the Secretary of State

SANTIAGO, September 2, 1927—5 p. m.

[Received September 3—6:10 p. m.]

120. James Heavey, Chilean manager Grace Line, called today. Believes nationalistic movement in Chile will result in passage of ship subsidy law substantially as reported. Says there will be probably many purchases of new boats. Braun and Blanchard, owners of existing service between Valparaiso, Punta Arenas and Buenos Aires, already have plans ask Government for guarantee of loan for purchase of at least four new ships for European and North American trade. He also said Government member of nitrate board contemplates immediately putting into effect section 17 of nitrate law authorizing additional [subsidies?] to Chilean ships that carry nitrate. Moreover all shipping interests are greatly agitated by provision in the report of joint committee appointed to study revision of tariff which authorizes President to grant additional reduction of duty equal to 25 pesos per ton on several classes of merchandise including structural steel, vehicles, agricultural machinery and many other articles. Heavey estimates this represents at least 70 percent of American exports to Chile. Foreigners, especially British, greatly agitated by this provision claiming that inasmuch as existing Chilean lines to foreign countries only touch American ports this will give great advantage to American exporters. Undoubtedly this proposed tariff provision as well as all features of shipping law would stimulate American export trade at least until Chile purchases new ships and establishes services to Europe. This provision should be carefully considered by the Department but I assume that you wish your instructions in your cipher telegram 37, August 31, 6 p. m., complied with and I will do so unless otherwise instructed.

COLLIER

825.85/42 : Telegram

The Secretary of State to the Ambassador in Chile (Collier)

[Paraphrase]

WASHINGTON, September 14, 1927—2 p. m.

41. Department's telegram No. 37, August 31, 6 p. m.

(1) The Department has noted the considerations set forth in your telegram No. 120, September 2, 5 p. m., but, nevertheless, it desires that every effort be made to dissuade the Government of Chile from applying discriminatory import duties in favor of Chilean ships.

(2) Your telegrams No. 118, September 1, 3 p. m., and No. 120, September 2, 5 p. m. Bounties contemplated under section 17 of the nitrate law if paid to shippers would apparently be similar in effect to preferential import duties. You should, therefore, try to dissuade the Government of Chile from applying the former measure on the same general grounds as the latter, namely, that neither Chilean ships nor their cargoes are subjected to discriminatory treatment in ports of the United States as compared with American ships.

Grace and Company has informed the Department that the National Nitrate Council has passed a measure, to become effective upon the approval of the President, providing for a payment of 7 pesos per metric ton in favor of Chilean ships for nitrate carried to Canada, Cuba, and the United States. Grace and Company consider that this measure, in conjunction with preferential import duties, will seriously affect their interests.

Inform the Department whether the payments referred to by the Grace Line would be made to shippers or to shipowners. The Department is giving consideration to the question whether representations should be made regarding payments to Chilean shipowners based on quantity of cargo carried and distance transported, but you should take no action with regard to such measures without specific instructions.

(3) Your telegram No. 119, September 1.¹⁶ It is not entirely clear to the Department whether the mileage subsidy of 2 pesos per ton of coal transported in Chilean ships for each one thousand kilometers would be payable to shippers or to shipowners. If payable to shippers, its effect would be similar to the discriminatory measures mentioned above and appropriate representations in the same sense should be made.

Telegraph as soon as possible as to the probable effect of your representations, also, whether the representatives of other countries have made representations, and if so, to what effect.

KELLOGG

¹⁶ *Post*, p. 537.

825.85/49 : Telegram

The Ambassador in Chile (Collier) to the Secretary of State

SANTIAGO, September 17, 1927—11 a. m.

[Received 2:21 p. m.]

133. My telegram number 118, September 1, 4 [3] p. m. President of Chile yesterday issued decree under sections 17 and 33 of nitrate law granting to Chilean ships carrying nitrate to foreign countries the following bounties per metric quintal: To countries [south?] of the Panama Canal, 50 Chilean centavos; to countries north of Panama Canal, including Cuba and the Antilles, 70 Chilean centavos; to countries on Atlantic seaboard, 1 Chilean centavo. Decree goes into effect as soon as published in *Diario Oficial*. Bounty is paid to ship and not to producer. Correct the error in point 2 of my telegram 111, of August 25, 4 p. m., and my 118, of September 1, 3 p. m. Error was due to incorrect newspaper report of law.

COLLIER

825.85/50 : Telegram

The Ambassador in Chile (Collier) to the Secretary of State

SANTIAGO, September 20, 1927—11 a. m.

[Received 9:15 p. m.]

136. Your 41, September 14, 2 p. m. Supplementing my 133, September 17, 11 a. m. Yesterday I had separate conversations with regard to ship subsidies with the President of the Republic, Minister of Foreign Affairs, Under Secretary, Chief of Diplomatic Section, prominent Senator, prominent Deputy on committee to which bill has been referred, German and French Ministers, Dutch and British Chargés. First four apparently much impressed by my representations; diplomats mentioned have also made representations. Principal British opposition is due to their belief that preferential duties will favor American export trade. However, owing to bad effects of proposed bill on British service between Valparaiso and New York, they have same reasons for opposition to bill as Grace Line. I am informed from other sources that British Foreign Office called Chilean Minister to Great Britain to its office and made very strong representations to him. Possibly such action by you with Dávila¹⁷ would be helpful especially if there is a possibility of increase of duties by us to counteract effect of Chilean discrimination and bounties. I believe all persons connected with the Foreign Office

¹⁷ Chilean Ambassador at Washington, Oct. 6, 1927.

believe bill as drafted most unwise. Under Secretary says he took my note¹⁸ in which I made strong representations against repayment Panama Canal dues and tariff preference and bounties to Minister of Finance who has promised him to reconsider bill. He made same promise to me when I saw him at suggestion of President of Republic. I am soon to have another long talk with him. I also talked with Delcourt, head of the Nitrate Bureau, and Simon, head of the Budget Bureau, both of them members of commission that recommended ship subsidy bill. Senator and Deputy with whom I talked believe bill as drafted very faulty . . . I feel confident before final passage provisions as to Canal tolls will be stricken out and there is strong probability that preferential duties will be eliminated and possibly bounties to ships and that instead there will be a lump sum subvention with provisions for diminution in case companies do not drum up commerce and get full cargoes. If section 317 of customs law¹⁹ is applicable, may be well for Department to let Dávila know of its existence even if inexpedient to intimate that it will be put into effect. I shall not relax my efforts although I have repeatedly urged reciprocity of treatment and have not hinted at reprisals even to counteract unfair discrimination.

COLLIER

825.85/52 : Telegram

The Ambassador in Chile (Collier) to the Secretary of State

SANTIAGO, September 21, 1927—6 p. m.

[Received 11:45 p. m.]

141. Have made further representations to Minister of Foreign Affairs as to proposed law favoring mercantile marine, calling attention to principles of Geneva convention 1923²⁰ (see Trade Information Bulletin 202, stating that even if Chile has not ratified it, it should not be forgotten as expression of its delegate as to principles that should govern, and that the United States in fact adopts this liberal practice wherever reciprocal treatment is not denied to it.

Minister of Hacienda lunched with me today privately. I discussed matter fully with him and I am assured by him that he will give personal reconsideration to bill and redraft it and that provision

¹⁸ Note No. 802, Sept. 12, enclosed with despatch No. 1184, Sept. 13, not printed; this note was based on Department's telegram No. 37, Aug. 31, 6 p. m., p. 528.

¹⁹ 42 Stat. 944.

²⁰ Convention and statute on the international regime of maritime ports and protocol of signature, signed at Geneva, Dec. 9, 1923; League of Nations Treaty Series, vol. LVIII, p. 285.

as to the Panama Canal toll dues will be stricken out. I also believe preferential duties will be eliminated and possibly also in near future payment to ships of peso per ton of nitrate carried by them. He made following interesting statement "Although this payment is made to ships it is intended to benefit producers who unquestionably will decline to send nitrate on Chilean ships unless freight is reduced by this amount paid to ships by the Government." Practically, this payment therefore is considered by him as bounty to producers. I believe Government eventually will substitute law granting lump sum subvention or payments for maintenance service on designated routes.

COLLIER

825.85/60 : Telegram

The Ambassador in Chile (Collier) to the Secretary of State

SANTIAGO, October 28, 1927—3 p. m.

[Received 8 p. m.]

163. Government has published ship subsidy bill substituting [bill?] mentioned in my 141, October [September] 21, 6 p. m. and previous telegrams. Summary of new bill is as follows:

Article 1. President of the Republic authorized to spend up to 2,000,000 pesos annually as subventions to national companies which have maintained for more than 3 years a regular service through the Panama Canal. This subvention to be regulated in proportion to the quantity of cargo carried by the respective companies.

Article 2. Companies accepting these benefits are to share net proceeds with the State as follows:

Reserves are first to be deducted and from balance a dividend of 10 percent is to be paid stockholders and the residue distributed proportionately between stockholders and the State, the latter being considered as holding shares of a value equal to 10 times subvention paid during the year. Government to name a director on the companies that accept the subsidy.

Article 3. President of the Republic authorized to contract for account of companies, and with Government guarantee, loans that may be required for acquiring ships destined to foreign commerce or coastwise trade. These loans to be guaranteed by mortgages on the ships, companies to arrange to take care of the service of the loans.

Article 4. Expenses occasioned by the law are to be met by increasing all consular duties 10 percent.

Article 5. New law to go into effect January 1st, 1928.

Consular fees are frequently based on value of invoice. I assume proposed increase affects consular invoices of imports from all coun-

tries whether Chilean vessels maintain service with them or not. If so proposed increase seems to me unobjectionable in principle and possibly beneficial to American exports. Personally, cannot see ground for objection to new bill but would appreciate Department's instructions.

COLLIER

825.032/47 : Telegram

The Chargé in Chile (Hofer) to the Secretary of State

SANTIAGO, November 9, 1927—5 p. m.

[Received 11:45 p. m.]

172. The President has formally called Congress into special session November 15th. Subjects on the agenda affecting American interests are:

1. Appropriate measures for Chilean delegation to the Pan American Conference at Havana ²¹ which will be definitely appointed according to the Minister of Foreign Affairs within a week.
2. New ship subsidy bill.
3. Revision of the tariff regulations.
4. Insurance bill.²²
5. Coal bill.²³

The petroleum bill for the exploitation of Chilean oil fields so far not on the agenda.

Fearing that proposed legislation may contemplate the payment of a further Government bounty for nitrate carried by Chilean vessels and the proposed tariff revision may contain a provision as rumored that shipments of iron and steel carried by Chilean bottoms are to receive a 25-peso per ton rebate, I have reiterated to Minister of Foreign Affairs point of Department's telegram 41, September 14, 2 p. m., the first four paragraphs of Ambassador's note 802, September 12th to Foreign Office transmitted to the Department in despatch number 1184, September 13th.²⁴ Netherlands Chargé d'Affaires is protesting against any legislation providing for bounties or [rebates].

I understand the President desires to railroad all legislation, the exact status of which is in many cases obscure, through Congress as fast as possible.

HOFER

²¹ Held at Habana, Jan. 16–Feb. 20, 1928.

²² See pp. 541 ff.

²³ See pp. 537 ff.

²⁴ Note No. 802 and despatch No. 1184 not printed.

825.85/66a : Telegram

The Secretary of State to the Chargé in Chile (Hofer)

[Paraphrase]

WASHINGTON, November 22, 1927—1 p. m.

62. Department's telegram No. 61, dated November 19, 1 p. m.²⁵ In regard to any proposed tariff or shipping legislation by which discriminating import duties would be imposed in favor of cargo carried in Chilean ships, you are instructed, unless you see some objection, to invite the attention of the appropriate authorities to the following laws of this country.

1. Subject to the stipulations contained in section 4228 of the Revised Statutes, mentioned below, section 2502 (as amended) provides that a discriminating duty of 10 percent shall be imposed on merchandise imported into the United States in foreign ships. However, the President, by section 4228, is empowered to suspend the application of this measure in favor of ships of any nation which presents satisfactory evidence that it does not lay discriminating duties on the cargoes of American ships. In accordance with this stipulation a Presidential proclamation dated November 1, 1850,²⁶ suspended the application of such discriminating duties insofar as Chilean ships were concerned, the suspension to continue effective as long as reciprocal exemption of American ships from discriminatory treatment was continued by Chile.

When referring to the above stipulations of law, you should indicate that the adoption by the Chilean Government of the discriminatory measure in question would eliminate the only basis on which the President of the United States is empowered to continue in suspension the law by which Chilean ships would be subjected to similar discriminatory treatment in American ports.

2. If any proposal for discriminatory tonnage or other similar dues on American ships be made, you should, unless you see some objection, inform the Chilean authorities that American laws providing for discriminatory tonnage dues have also been suspended as far as Chilean ships are concerned, but that the President of the United States is empowered to hold these laws in suspension only so long as American ships receive national treatment with regard to such dues and charges in Chilean ports.

3. You should indicate that the intent of the laws to which reference is made is that the ships of each foreign government shall enjoy in American ports the identical privileges which the same class of American ships and cargo may enjoy in the said foreign country.

KELLOGG

²⁵ Not printed.

²⁶ 9 Stat. 1004.

825.85/67

Memorandum by the Secretary of State

[WASHINGTON,] December 6, 1927.

The Chilean Ambassador called on me today in relation to the laws pending before the Chilean Congress. He said the Chilean Government was going to abandon the discriminatory tariff duties and any law to refund canal tolls and that if they did anything, they would make a straight subsidy to Chilean steamship lines. I told him of course we had no objection to that; that my objection to the other procedure was that we gave uniform rates through the Canal to all nations; that at one time we had a law giving American coastwise ships free tolls; that I had no idea that Congress would ever go back to the free toll system but if foreign countries commenced to refund their tolls, quite likely the Congress would discriminate in favor of American ships.

So far as the tariff duties are concerned, I told him we are in favor of even tariffs to all nations on all goods, whether carried in domestic or foreign bottoms, but if any countries commenced to discriminate on goods carried in foreign bottoms, we automatically would be compelled to do the same. He said he had perhaps gone farther with his Government than he ought and that he had told them he thought it was very unwise after having taken the matter up with American interests. I thanked him very much and told him I thought it was satisfactory as to the progressive tariff on oil. He said he thought he had arranged it satisfactorily to the American business interests and copper and nitrate companies. He said that the House of Representatives had passed a law; that the Senate was going to postpone it. He said it was largely on his advice; that the cost of manufacturing copper in this country had been constantly going down and the cost in Chile had been going up so that they were about equal and he thought if additional burdens were placed upon the copper companies, the companies would develop more copper in this country and less in Chile.

**REPRESENTATIONS TO THE CHILEAN GOVERNMENT REGARDING
EFFECTS OF PROPOSED COAL LAW ON AMERICAN INTERESTS**

825.6362/18 : Telegram

The Ambassador in Chile (Collier) to the Secretary of State

SANTIAGO, September 1, 1927—4 p. m.

[Received 5:30 p. m.]

119. Government has sent to Congress proposed law to aid coal industry. It provides for a Government coal board, imposes heavy increased duties on coal and crude petroleum, creates fund for port

works and for loans not exceeding 20 million pesos to private persons for construction of [colliers], grants annual subsidy of 10 pesos per ton of cargo capacity for ships constructed in Chile and a mileage subsidy of 2 pesos per ton of coal transported in Chilean vessels per 1,000 kilometers. Full text and analysis of bill will reach you September 29th.²⁷ This should be considered in connection with proposed ship subsidy law.²⁸

COLLIER

825.6362/21 : Telegram

The Secretary of State to the Ambassador in Chile (Collier)

WASHINGTON, October 10, 1927—noon.

50. Your despatch 1166, September 1st.²⁹ The Department has received a protest from the Chile Copper Company and the Andes Copper Mining Company on the ground that the proposed coal law singles out American copper companies for discriminatory taxation which in application will soon amount practically to confiscation of their properties. The Department is not yet convinced that a formal protest would be justified but you may nevertheless bring the matter informally to the attention of the Minister for Foreign Affairs pointing out that since it appears impracticable for the copper companies to use coal instead of oil the proposed progressive duty upon the latter will apparently prevent them from operating at a fair profit and that the exemption of Diesel engine oil suggested by the Chilean Ambassador will not help matters unless extended to include fuel oil. Please impress upon the Minister for Foreign Affairs that while the Department does not question the right of the Chilean Government to enact legislation for the legitimate encouragement of Chilean industries it is greatly concerned over the probable effects of this particular measure and cannot believe that any law which might threaten the existence of the American copper interests in Chile could ultimately benefit that country.

KELLOGG

825.6362/24 : Telegram

The Ambassador in Chile (Collier) to the Secretary of State

SANTIAGO, October 19, 1927—noon.

[Received 2:05 p. m.]

151. Your 50, October 10, noon. Under Secretary of Foreign Affairs tells me that my representations were forwarded to Minister

²⁷ Despatch No. 1166, Sept. 1, not printed.

²⁸ See pp. 526 ff.

²⁹ Not printed; see Ambassador's telegram No. 119, *supra*.

of Hacienda who assures Foreign Office that he will make changes in law which will save the United States interests from injury. The answer is somewhat indefinite but hopeful. I will watch developments.

COLLIER

825.6362/25 : Telegram

The Secretary of State to the Ambassador in Chile (Collier)

WASHINGTON, November 1, 1927—7 p. m.

58. Department informed by American interests that Chilean Government is paying little attention to protests made by their representative, Mr. Seibert, against the coal bill, which has already been approved by the Joint Committee of Congress. Department had hoped that no definite action would be taken pending the receipt of full report which it understands Chilean Ambassador, following conferences in New York, is making to President Ibañez. Please investigate and cable briefly report on present situation.

KELLOGG

825.6362/30 : Telegram

The Ambassador in Chile (Collier) to the Secretary of State

SANTIAGO, November 2, 1927—4 p. m.

[Received 8 p. m.]

168. Your 58, November 1, 7 p. m. It is true Chilean Government shows unwillingness to modify coal and petroleum bill. Minister of Hacienda last Sunday published full page exposition in local newspapers, criticising American companies for not having made representations as to innumerable and varied propositions and suggestions criticising methods for protecting the coal industry advanced during the last 5 years. His exposition also sought to justify Government's action and challenges statements made by local representatives of North American interests as to burden which proposed new law will impose upon them. I immediately addressed a note to Foreign Office defending companies for not having bothered Government with representations as to proposals that had not received Government's approbation and referring to Minister of Hacienda's admission that Government's proposition was not published until September 2nd, and that companies' representations were made September 29th, and the American Government's representations, based upon necessarily partial and incomplete information, were made October 14th. I requested, in view of the immensity of interests involved, that the matter be studied further by Chilean Government

and opportunity be given American Government to become more fully apprised as to the facts.

I have engagements to see Minister of Foreign Affairs and President of the Republic as to matter today. Minister of War and Minister of Fomento are dining with me tonight. Last-mentioned should be particularly interested. I will endeavor to present the matter to all of them and also will see Minister of Hacienda if possible.

Rampant protectionist sentiment and desperate condition of Chile coal industry, coupled with [paraphrase] the reported statement that powerful Chilean nitrate companies are willing to accept an increased duty on coal which they use provided that the Chilean Government will reduce the export duty on nitrate [end paraphrase], make it doubtful whether duties will be materially reduced; but I will do the best I can. Incidentally it should be borne in mind that loss of revenue caused by any possible reduction of nitrate export duties will be made up by increased taxes, probably on copper and possibly on iron ore.

COLLIER

825.6362/33 : Telegram

The Chargé in Chile (Hofer) to the Secretary of State

SANTIAGO, November 16, 1927—noon.

[Received 5:50 p. m.]

176. Ambassador's telegram 168, November 2, 4 p. m. Chamber of Deputies passed coal bill substantially as reported by joint committee late yesterday after short discussion. Bill expected to be sent promptly to the Senate.

[Paraphrase.] Seibert says that there is little hope for effective modifications since prestige of Government and Minister of Finance, who has suffered much embarrassment by protests, is involved if Congress does not promptly approve bill. [End paraphrase.]

HOFER

825.6362/40 : Telegram

The Ambassador in Chile (Collier) to the Secretary of State

SANTIAGO, December 10, 1927—1 p. m.

[Received 2:35 p. m.]

186. Have continued efforts to secure modification of coal and petroleum bill. Minister of Foreign Affairs on November 30th answered note referred to in telegram 168, November 2, 4 p. m., reiterating that

Chilean Government felt copper companies had delayed unduly in making protests and also challenged accuracy of their figures and conclusions and stated that it was difficult to accede to request for prolongation of the study of this measure but that "as a demonstration of its good will the Government had proposed to Congress an addition to law permitting President of the Republic for a period of one year to make resolutions as to the matter if he believed such action consistent with national interest." I understand intention is to authorize President to suspend or modify application of law if in his judgment wise. Meantime thorough investigation of the situation will be made.

William Braden ³⁰ has had numerous conferences with President and Minister of Hacienda as to this bill and also existing tax laws and is about to leave, hopeful and fairly well satisfied with this arrangement. There has been a formal interchange of notes between him and Minister of Hacienda providing for such a study of entire situation in fulfillment of assurance given me by Foreign Office as above-mentioned.³¹

COLLIER

REPRESENTATIONS TO THE CHILEAN GOVERNMENT REGARDING EFFECTS OF PROPOSED INSURANCE LEGISLATION ON AMERICAN INTERESTS

825.506/4 : Telegram

The Secretary of State to the Ambassador in Chile (Collier)

WASHINGTON, May 5, 1927—10 a. m.

19. Home Insurance Company of New York calls Department's attention to a cablegram from its agent in Chile reading in part as follows:

"Minister Finance has published his intentions to nationalize insurance as soon as possible. Principal points are as follows. Government will form a reinsurance company. Foreign companies will be eliminated. Native companies must reinsure their surplusses with Government company. When law is passed companies will be considered national only if two-thirds of capital belongs to Chileans."

It is stated that British and German companies doing business in Chile have asked for diplomatic intervention. Home Insurance Company desires this Government to protest against measure as being confiscatory. Please inquire of Foreign Office concerning proposed measure and report fully by telegraph, especially with regard to extent to which it appears to be confiscatory. Department has requested

³⁰ Mining engineer and capitalist of New York.

³¹ In telegram No. 29, Feb. 8, 1928, 3 p. m. (not printed), the Ambassador in Chile informed the Department that the coal law had been signed by the President on Jan. 9, 1928 (file No. 825.6362/43).

company to furnish information concerning nature and extent of its business and property interests in Chile.

KELLOGG

825.506/5 : Telegram

The Ambassador in Chile (Collier) to the Secretary of State

SANTIAGO, May 13, 1927—5 p. m.

[Received 11:15 p. m.]

64. Your No. 19, May 5, 10 a. m. Just prior to its receipt I had made informal representations to Minister of Foreign Affairs as to proposed insurance law, and have subsequently conversed with him. He says my representations will receive serious consideration but have been sent by him to the Minister of the Treasury whose project this is. Its provisions are correctly stated in your cable. As yet it cannot be said to have had indorsement of Cabinet although probably reflecting the avowed policy of this administration to promote national interests in every way possible. German and British Ministers who have made rather vigorous protest owing to their large interests, believe project will be adopted and this is not unlikely, although not apt to occur at once, and some substantial amendment may be made. Ministers of Treasury, Interior and Public Works dined with me last night. The first-named told me the matter was not ready for immediate enactment, although he felt that much if not all insurance should be effected in Chilean companies and that French companies had been driving them out of the field by rather unfair methods. I pointed out mutual advantages that would permit French companies to continue business and unfairness, practically amounting to that which might be considered destruction of property rights, if French companies were prohibited from carrying [on] a business which they had established in the past at considerable expense. Except in this respect I do not see anything confiscatory. Chilean Government appears inclined to consider this as simply withdrawal of a license to each business issued without any consideration entitling it to be considered permanent and does not consider it confiscatory. Am acting independently of British and German Ministers but in close touch with them. Minister of Hacienda in submitting his project to commission appointed to consider insurance question said that it was not official and should be considered only as basis for study. I know of no inquiries as to their business yet made from foreign companies but if law is enacted new companies will be subject to inspection by Superintendent of Insurance and required to furnish all pertinent information that may be desired by him.

COLLIER

825.506/8 : Telegram

The Ambassador in Chile (Collier) to the Secretary of State

SANTIAGO, August 1, 1927—4 p. m.

[Received August 2—3:15 p. m.]

97. My telegram number 64, May 13, 5 p. m. and despatches 1079, May 21st, and 1135, July 16th en route,³² with enclosures to the last. I report that insurance bill, modified and made more drastic, was sent recently to Congress with urgent message requesting immediate passage in form presented. This draft of law limits insurance business in future to nationally organized companies and requires that all reinsurance be effected through the *caja* of reinsurance. However, it permits foreign companies now doing [business?] in Chile to reorganize as national companies. Minister of Hacienda tells me that the general provision that two-thirds of stock must be owned by citizens or residents of Chile does not apply to last-mentioned case and that existing foreign companies may reorganize and stock may be held by foreigners in the same proportions as at present. Agents for American companies dread requirement of reorganization as national companies because of great powers given to Superintendent of Insurance who may not only fix rates but determine amount of risk that may be carried and dictate with what company reinsurance may be effective. Nevertheless agents of American companies believe that the grant of such powers to Superintendent of Insurance, although apt to be exercised capriciously for the purpose [of] driving foreign insurance out of business, cannot be questioned in principle as violative of international or constitutional right. Proposed legislation does not appear confiscatory unless refusal to allow continuance of a business which has acquired a goodwill value can be so considered.

In order to prevent insurance from being written by foreign owners of property located in Chile in foreign companies, the act as now drafted in section 59 imposes tax on such policies equal to half of premium that would be charged by Chilean national companies and imposes very heavy fines in addition to [*for?*] failure to pay. Prior to incorporation of this provision in the bill, the big American business interests had expected to avoid hardships of the law by insuring in New York with New York companies and the foreign insurance doing business in Chile had hoped this possibility of the insurance business being thus diverted from Chile to foreign countries would convince the framers of the bill of the inexpediency of the proposed legislation.

All are greatly perturbed by new provision and wish assistance of our Government.

³² Despatches not printed.

I have had three opportunities to discuss matter directly with Minister of Hacienda who earnestly advocates this legislation. I got him to withdraw the request for urgent action by Congress but matter has been referred to a joint committee of House and Senate and it is possible that measure will be rushed through notwithstanding he assured me his purpose in withdrawing urgency request was to permit me to communicate with you and obtain instruction.

There have been intimations that article 59 would be stricken out if we would not oppose rest of legislation. Best-informed agent for American companies believes this will be the maximum which we can accomplish and that if this section is eliminated it will result in either abandonment of the bill or eventual repeal.

I know of no treaty obligations preventing Chile from limiting insurance business to its own citizens. I request Department's instructions as to any principles of international law that may be invoked. I have made representations to Ministry of Foreign Affairs that proposed law is injurious to mutual commercial interests, inconsistent with fundamental idea of insurance to spread loss and that it is particularly hazardous to Chile to seek to insure itself, considering possibility of catastrophe by earthquake with enormous incidental loss.

I have told Minister of Hacienda that in my opinion section 59 infringes upon sovereignty foreign countries and trespasses upon right of foreigners to make legitimate contracts in foreign countries with other foreigners. I believe he is impressed by this reasoning and that it is for this reason there have been intimations that he may change this provision especially if optional provisions were withdrawn. But I have specifically declared that I have no authority to compromise in this manner and that I await your instructions. British, French and German colleagues, who have been cooperating, are much pleased with my success in getting Minister to notify Congress that measure may not be considered urgent.

Foreign Chamber[s] of Commerce in Chile have all or practically all petitioned Government not to pass measure and some Chilean business interests are expressing doubt as to wisdom of legislation and it is said that some national insurance companies fear workings of law but hardly dare oppose it.

I have been careful to say nothing that indicates possibility of any retaliation afterward and other so-called nationalistic legislation intended to promote Chilean industry.

[Paraphrase.] If the Department believes it wise to point out that this legislation which is intended to exclude foreigners or to limit unorganized opportunities is undesirable, I recommend that it be done through conversations between you and the Chilean Ambassador to the United States.

I have conversed with two vice presidents of the National City Bank of New York, now in Santiago, and with Doctor Kemmerer and we agree that the proposed legislation is likely to be detrimental to the real economic interests of Chile but [omission?] because of official or business relations with the Chilean Government. Instructions requested. [End paraphrase.]

COLLIER

825.506/8 : Telegram

The Secretary of State to the Ambassador in Chile (Collier)

[Paraphrase]

WASHINGTON, August 8, 1927—noon.

31. The Department has not yet received proposed Chilean law nationalizing insurance. However, upon the information at hand, the Department does not think a protest is warranted upon grounds that the law under international law would be confiscatory and violative of the rights of American citizens. Nor does the Department think that article 59 infringes upon the sovereignty of foreign countries and trespasses upon the rights of foreigners as you suggest. However, the Department believes that you are warranted in urging that it be eliminated because it would interfere with free and mutually beneficial intercourse between the United States and Chile. At your discretion you may take up this matter again informally with the Minister for Foreign Affairs.

KELLOGG

825.506/13 : Telegram

The Ambassador in Chile (Collier) to the Secretary of State

SANTIAGO, September 12, 1927—noon.

[Received 6:40 p. m.]

129. Supplementing my 114.³³ Joint committee has reported insurance bill with amendments to Chamber of Deputies. All efforts by myself and commercial attaché and interested American enterprises to get printed or specific information about committee amendments have so far been unavailing, report "not yet having been printed for distribution". It is understood that existing foreign agencies will be allowed to continue business with present personnel and without reorganizing as national companies upon condition that in addition to amount required for mathematical reserves they invest 2,000,000

³³ Dated Aug. 30, 1927, 11 a. m.; not printed.

pesos in Chilean securities or property that can be readily liquidated and that they pay a tax on premiums collected 50 percent greater than the tax to be paid by national companies.

Former section 59, modified and now made section 46, is said to provide that every person or company who insures property located in Chile in companies not established in Chile must pay a tax "variable between 15 and 20 percent of the premium that would be collected by a Chilean national company", the President of the Republic to be authorized to fix the tax within these limits. It is uncertain whether policies taken out in foreign companies whose existing agencies may be continued by them under the new law will be subject to this tax.

Shall I protest against discriminatory taxation and also against second-mentioned tax so far as it affects policies on Chilean property taken out in the United States by Americans not residents of Chile? Cable promptly, measure likely to be rushed through. Nationalistic sentiment strong, mere representations as to promotion of mutual interests by equal or liberal treatment not apt to produce results.

COLLIER

825.506/13 : Telegram

The Secretary of State to the Ambassador in Chile (Collier)

[Paraphrase]

WASHINGTON, September 14, 1927—6 p. m.

42. Your telegram No. 129, September 12, noon. The Department can perceive no good basis for a protest against the provisions of the insurance law. See Department's telegram number 31, August 8, noon.

KELLOGG

825.506/14 : Telegram

The Ambassador in Chile (Collier) to the Secretary of State

SANTIAGO, September 19, 1927—noon.

[Received 12:55 p. m.]

135. Insurance bill as amended is considered by local representatives of American fire companies already having agencies here as likely to result in big increase in business because it will prevent entrance of new foreign companies unless they nationalize and because it requires Chilean companies to effectuate all insurance among themselves or through Government *caja* while requiring foreign companies to reinsure in *caja* only 20 percent. However many object even to this in principle, unwilling to cooperate in any way with Government in

insurance business and on this ground threaten to discontinue agencies but most agents believe prospects of increased business will cause them not to do so. Requirement of increased deposits and heavier taxes even though discriminatory are not considered by agents as offsetting probable big increase in business and profits. National companies in whose interests bill was drafted not now completely satisfied with its provisions and may seek amendments which may possibly be adopted although this is not likely, moreover any further discussion is apt to help established foreign companies.

COLLIER

825.506/16 : Telegram

The Ambassador in Chile (Collier) to the Secretary of State

SANTIAGO, September 21, 1927—3 p. m.

[Received 7:40 p. m.]

138. Regular session of Congress has terminated. Government contemplates calling special session about October 6th. Insurance bill will then come before Senate. I request Department's consideration of the fact that the tax on policies negotiated by foreigners with foreign companies and executed in foreign countries affects not only insurance on real estate, that is, buildings, but also insurance on personal property, machinery and other chattels and also insurance against loss of prospective profits caused by interruption of business due to fire. Am informed that one of three great American copper companies carries 12 million dollars against loss of prospective profits, presumably the others carry proportionate insurance. Attorneys for American interests have argued that if such contracts relating to personal property even though used in connection with or derived from real estate situated in Chile can thus be taxed, it would appear that any contract affecting such personal property, as for instance mortgages and assignments, could be taxed. Does this in the Department's opinion affect its decision that no representation should be made against this feature of the law?

COLLIER

825.506/16 : Telegram

The Acting Secretary of State to the Ambassador in Chile (Collier)

WASHINGTON, September 27, 1927—7 p. m.

47. Your 138, September 21, 3 p. m. As there is no discrimination against American concerns there is no apparent ground for a formal protest but in your discretion you may continue to urge

informally that the provision in question be eliminated upon the ground that it would interfere with business between the two countries.

CARR

825.506/21 : Telegram

The Chargé in Chile (Hofer) to the Secretary of State

SANTIAGO, November 17, 1927—5 p. m.

[Received 10:10 p. m.]

179. Ambassador's telegram 138, September 21, 3 p. m. Insurance bill passed Senate yesterday with modifications, all of which according to Beausire, representative of Great American and Home Insurance Companies, are acceptable to foreign companies. Article 46 amended so as to permit insurance of properties in Chile with local branches of foreign insurance companies or if the risk is unacceptable the local companies may place insurance abroad without being subject to tax.

HOFFER

825.506/22

The Ambassador in Chile (Collier) to the Secretary of State

No. 1256

SANTIAGO, November 29, 1927.

[Received December 21.]

SIR: Referring to the Embassy's telegram No. 179 of November 17, 5 p. m., reporting the modifications made in Article 46 of the redrafted Insurance Bill, I have the honor to state that on the 23 instant the Chamber of Deputies approved the bill in question with all of the modifications made by the Senate with the exception of Article 36 which does not vitally affect foreign interests but refers to the question of non-taxation of local institutions of a benevolent or charitable character.

The bill as presented at the opening of the special session of Congress contained several new changes beneficial to Foreign Companies and the subsequent amendments,—particularly in Article 46 which now allows local branches of foreign insurance companies to place insurance abroad when the insurance has been turned down by the local companies, without being subject to a special tax,—is considered by Mr. Beausire as eliminating the most harmful feature of the bill as far as foreign companies are concerned. However, the cutting down of the required capitalization of the local companies to only \$500,000 and of the foreign companies to \$1,000,000 is somewhat regretted by foreign interests as this it is believed will permit

the establishment of certain local companies which would not have been able to have entered the field if the original amount of \$1,000,000 capitalization for local companies and \$2,000,000 for foreign companies had remained in force.

In conformity with the Department's instructions I have refrained from formal protests, but I have repeatedly made informal representations as to the injury to the general business interests of the two countries likely to result from the bill as originally drafted.

I have [etc.]

WM. MILLER COLLIER

**DISAGREEMENT OF THE DEPARTMENT OF STATE WITH DECISION
OF A CHILEAN COURT THAT A DIPLOMATIC SECRETARY DOES NOT
ENJOY DIPLOMATIC IMMUNITY**

701.05/135

The Chargé in Chile (Engert) to the Secretary of State

No. 962

SANTIAGO, November 22, 1926.

[Received December 22.]

SIR: Referring to an item mentioned on page 32 of the Embassy's General Conditions Report No. 930-G of October 6, 1926,³⁴ I have the honor to transmit herewith a translation of the full text of the decision of the Santiago Court of Appeals which held that a Second Secretary of the Brazilian Embassy in Santiago—and therefore by inference any other diplomatic secretary in this capital—is subject to the jurisdiction of the Chilean courts in a criminal case, and that an order for his arrest and imprisonment may be issued provided notification thereof be given to the Brazilian Ambassador.

As the diplomatic secretary in question was recalled by his Government shortly after the case began and although the decision of the Court of Appeals will consequently remain without effect as regards his person, most members of the diplomatic corps in Santiago feel very strongly that a dangerous precedent has been set which should not remain unchallenged.

For the Department's information I am quoting below in translation Article I of the Chilean Code of Criminal Procedure:

"The Tribunals of the Republic exercise jurisdiction over Chileans and foreigners for the purpose of judging crimes committed in its territory, except in the cases provided for by the rules generally recognized in International Law".

The Department will observe, moreover, that in paragraph (1) of the inclosed decision the exceptions made by International Law are admitted. But in paragraph (2) the Court is of the opinion that International Law recognizes diplomatic exemptions from criminal

³⁴ Not printed.

jurisdiction only in favor of "Ambassadors, Ministers, and Chargés d'Affaires".

Apart from the fact that in most civilized countries no distinction is made between the chiefs of missions and the diplomatic secretaries as regards their immunity from arrest and trial by the local authorities, the decision appears to contradict itself because it will be noted that in paragraph (9) it goes so far as to say that not even an Ambassador could claim the privilege of extritoriality if he committed a crime in Chile, as he would be subject to the jurisdiction of the special tribunal provided for in Article 15 of the Code of Criminal Procedure.

I have [etc.]

C. VAN H. ENGERT

[Enclosure—Extracts—Translation]

Decision of the Santiago Court of Appeals, September 24, 1926

1. As a general rule all persons who reside within the limits of a country, be they citizens or foreigners, are subject to the laws which that country establishes, except the exceptions recognized by international law, and in consequence it pertains to the tribunals of each nation to judge of all the acts subjected to them by its constitution or laws and to conserve the validity of the public authority by the defence and vindication of all the rights created by its laws which have been disregarded.

2. That the exceptions recognized by international law, accepted by all civilized countries, are (1) the person of a sovereign, when he enters the territory of a friendly power; (2) the diplomatic agents, understanding as such the ambassadors and diplomatic ministers and chargés d'Affaires, who represent the sovereign and government of friendly nations; (3) the warships which sail or anchor in territorial waters; (4) the armies or troops of other nations which visit or pass in transit through national territory;

9. That if the Secretary Barroso were not subjected to the Chilean Tribunals for the purpose of judging the criminal acts which he may have committed, he would be in a better position than the Ambassador himself, who would have to appear because of the privilege he enjoys before the special tribunal established by Article 15 of the Code of Penal Procedure, and who would not be protected by extritoriality for the purpose of being judged by the Brazilian courts, because it would be a question of a common crime committed on Chilean territory.

701.05/135

The Secretary of State to the Ambassador in Chile (Collier)

No. 699

WASHINGTON, January 8, 1927.

SIR: The Department refers to the Embassy's despatch No. 962 of November 22, 1926, enclosing a copy in translation of the decision of the Court of Appeals at Santiago of September 24, 1926, holding that a Secretary of the Brazilian Embassy in Santiago was subject to the jurisdiction of the Chilean courts in a criminal case and that he might be arrested and imprisoned for his criminal acts committed in Chilean territory. The Embassy states that although the decision of the Court will remain without practical effect as the Secretary in question was called home by his Government shortly after the case began, members of the diplomatic corps in Santiago feel that the decision is a dangerous precedent and should not go unchallenged.

While the Department feels that the decision of the Court in the case referred to was in contravention of the generally recognized principle of international law that diplomatic immunity from local criminal jurisdiction enjoyed by heads of diplomatic missions also extends to the members of their suites, it is considered that this Government need not make a special protest against the precedent set by the case. However, should the diplomatic corps at Santiago decide that the decision merits a joint protest to the Chilean Government as being contrary to international law, you are authorized to express concurrence.

I am [etc.]

For the Secretary of State:

JOSEPH C. GREW

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