

which inhabit them. Until such races are capable of self-government the territories in question are to be administered by Mandatory Powers subject to the supervision and control of the League of Nations.

The financial clauses embodied in Part IX of the treaty contain provisions respecting the allocation of the debt of the German Empire as it stood on August 1, 1914, among the powers to which German territory is ceded. It is provided that France in respect of Alsace and Lorraine shall be exempt from any such payment, inasmuch as in 1871 Germany refused to undertake any portion of the burden of the French debt. In respect of former German territories to be administered by a Mandatory under Article XXII of the League of Nations Covenant, neither the territory nor the Mandatory Power is to be charged with any portion of the debt of the German Empire or states. The remaining dispositions of Part IX are chiefly in aid of the general provisions for reparation which are set forth in Part VIII and to which further reference will be made.

The Economic clauses embodied in Part X of the treaty are very elaborate and I shall attempt no more than a short summary. They entitle the Allied Nations to most favoured nation treatment in respect of customs duties and in respect of natural products and manufactured articles exported from German territory to any of the allied countries. They contain provisions to prevent unfair competition by Germany. They declare that Germany shall not subject the nationals of the Allied Powers to any prohibition, regulation, restriction or tax in regard to the exercise of occupations, professions, trade or industry which shall not be applicable to all aliens; and they make provision as to the continuation of certain international conventions and agreements. Section III of Part X contains elaborate dispositions as to the collection and payment of debts due from or to German nationals to or from the nationals of any of the allied states.

The user of and the rights in ports, waterways and railways wholly or partly within the territory of the former German empire is regulated by elaborate provisions which are set forth in Part XII of the treaty and which do not seem to require special observation.

Apart from the security afforded by the Covenant of the League of Nations, safeguards against future aggression on the part of Germany are established in Part V which places severe restrictions upon the military and naval power of that country.

[Sir Robert Borden.]

It is provided that within a very short time the German army shall be reduced to not more than one hundred thousand men who are to be recruited by voluntary enlistment for a term of twelve years. Germany undertakes to abolish compulsory military service. The treaty imposes a definite limit to the amount of arms, munitions and materials which she is permitted to maintain. No arsenals or factories for the production of munitions of war except such as are approved by the Allied Powers are permitted. All warlike material, arms and munitions of war in excess of certain stipulated quantities are to be handed over to the Allied Powers. The manufacture, importation and use of poisonous gases and other similar barbarous devices are prohibited. All fortifications except on the southern and eastern frontiers are to be dismantled. The German navy is to be reduced to very small proportions as set out in article 181 of the treaty. The total personnel of the navy is restricted to 15,000 and is to be maintained only by voluntary enlistment. The building and maintenance of submarines are prohibited. On the North sea and on the Baltic, the naval fortifications are to be dismantled and no military or naval air services are permitted. The fulfilment of these stipulations is to be ensured by the appointment of Inter-Allied Commissions of Control to which the German Government shall give all necessary facilities for the accomplishment of their missions. There is an express provision that within three months after the treaty comes into force the German laws must be modified and maintained by the German Government in conformity with the stipulations which I have summarized.

I come now to the provisions for reparation which demand a somewhat fuller explanation. They are set forth in Part VIII of the treaty. In the first place the Allied and Associated Governments affirm, and Germany accepts the responsibility, of Germany and her Allies for causing all the loss and damage to which the Allied Governments and their nationals have been subjected as a consequence of the war imposed upon them by the aggression of Germany and her Allies. Then follows the recognition by the Allied Governments that the resources of Germany are not adequate to make complete reparation. Germany therefore is required and undertakes to make compensation for all damage done to the civilian populations of the Allied Powers and their property. The amount of compensation so payable is defined in a series of schedules or annexes according to cer-