In accordance with a resolution adopted by the Council last May, the Advisory and Technical Committee for Communications and Transit has made a preliminary examination of this application. In the report which it submits to the Council it proposes the appointment of arbitrators by the Council to decide on the disputes between the Roumanian and Hungarian Governments and the Company, in the event of a friendly agreement not having been reached before the Council's present session. The parties concerned were duly informed of this opinion of the Committee's, expressed several months before the Council's present session.

Since the Advisory and Technical Committee's discussions no friendly agreement has been reached between the parties concerned.

The Council will no doubt desire to act in pursuance of the opinion expressed by the Communications and Transit Committee. Nevertheless, in similar cases the Council has always made every effort to bring about, as far as possible, a friendly settlement.
of disputes. Furthermore, according to the most recent information, it does not appear impossible that a friendly agreement yet may be reached.

In these circumstances the Council will no doubt decide to proceed at its January session, with a view to an arbitral settlement without further delay, to the appointment of the arbitrators requested by the Company in the event of a friendly agreement not having been concluded between the parties concerned before that session.

I therefore propose to the Council the adoption of the following resolution:

"The Council,

"Having before it the application submitted under Article 304 of the Treaty of Trianon by the Gyula District Local Railway Company,

"Decides to proceed at its session of January 1931 to the appointment of arbitrators to decide upon the disputes between the parties concerned, in the event of a friendly agreement putting an end to these disputes not having been reached beforehand".