Neutrality's Last Gasp? The Balkan Wars of 1912 - 1913

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General rules of international law establishing neutrality as a status that prescribes rights and obligations have been a phase in the transition from the balance-of-power to international organisation in most civilisations.

Q. Wright[1]

Either the spread of war excludes neutrality or neutrality suppresses war by making war practically impossible.

N. Politis[2]

1. Introduction.

Since world agreement in 1945 to prohibit the waging of aggressive war between states[3], it is the job of the United Nations Security Council to 'determine the existence of any threat to the peace, breach of the peace, or act of aggression', and to proceed to 'maintain or restore international peace and security'.[4] Prior to this development, states which wished to deter the outbreak of war, or to remain uninvolved in it, could adopt what was effectively a policy of non-involvement, or 'neutrality'. A centuries-old stance, neutrality remained viable as a mode of war avoidance throughout the early years of the XXth Century, up to and including the time of the Balkan Wars of 1912 and 1913. These wars erupted initially on 17 October 1912, when the Balkan League, consisting of Bulgaria, Greece and Serbia, declared war on Turkey to liberate Macedonia from Turkish rule.[5] The Balkan Allies won this first war, and the peace treaty was signed in May 1913.[6] In July 1913, however, Bulgaria launched a fratricidal war against its former allies Serbia, and Greece, in a dispute over the division of Macedonian territory. This second Balkan war soon included Montenegro, Rumania and Turkey. The peace treaty to end this second war between the former Allies was signed in August 1913. Bulgaria concluded peace separately with Turkey, on 29 September 1913.[7]

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[1] Q. Wright, A Study of War (London: University of Chicago Press, 2d ed. 1965), p. 786 (citing Q. Wright, Future of Neutrality, p. 362).

[2] '[O]u la guerre se généraliser au point d'exclure la neutralité ou la neutralité devait s'imposer au point de supprimer la guerre, en la rendant pratiquement impossible'. He adds: 'L'une devait fatalement tuer l'autre'. N. Politis, Neutralité et la Paix (Paris: Librairie Hachette, 1935), p. 29.

[3] Charter of the United Nations, Article 2(4), adopted 1948. The Covenant of the League of Nations partially abolished the freedom to wage war, and the Kellogg-Briand Pact of 27 August 1928, U.K.T.S. 29 (1929), Cmnd. 3410, 94 L.N.T.S. 57, continued this process.

[4] U.N. Charter, Article 39. See also Articles 36 – 8.

[5] See generally The Times, 18 October 1912, p. 7, and 19 October 1912, p. 5. See also 'Greek Notification of Declaration of War against Turkey, and Note of the Greek Government stating the Reasons for which Bulgaria, Greece, and Serbia have declared War on Turkey', 17 October 1912', British and Foreign State Papers ('State Papers'), Vol. 106 (London: H.M.S.O.), pp. 1058 – 60.

[6] 'Treaty of Peace between Bulgaria, Greece, Montenegro, Serbia, and Turkey, 17 May 1913', reprinted in State Papers, Vol. 107, pp. 656 – 8 (Greek Government Gazette, No. 229 of 1913).

[7] The Other Balkan Wars: A 1913 Carnegie Endowment Inquiry in Retrospect/with a New Introduction and Reflections on the Present Conflict by G.F. Kennan ('Carnegie')

Although neutrality was to founder during World War I as a means by which to remain uninvolved in the wars of other states[8], it nonetheless worked well as a policy to prevent the spread of these early Balkan Wars further into Europe. Throughout 1912 and 1913, many European states conducted themselves in accordance with the dictates of neutrality, which meant they remained impartial, and observed such duties of abstention as would prevent them from directly supplying the belligerents with war material and personnel, and from granting the belligerents loans or subsidies. Neutral duties of prevention were also required.[9] As the Great Powers of Europe also co-ordinated their individual neutral policies, in this instance successfully, to 'localise' the conflicts, their reaction to the Balkan Wars of 1912 and 1913 is thus of considerable interest in the history of neutrality. There were however internal tensions within the politics of neutrality. For example, The Economist reported in July 1913 that French, British, and German private investors on the money markets had been lending money to the Balkan states for years to prepare for a war, and that the prospect of a 'United Slavdom' in the Balkans was fuelling an armaments race in Germany, Russia, and France.[10] Indeed, it became clear in the course of 1912 and 1913 that commercial and trading interests posed a major threat to the sustainability of neutrality.

As the Balkan Wars of 1912 and 1913 were swiftly followed by the outbreak of World War 1, the legal scholarship on neutrality has tended understandably to focus on the latter, rather than the former. As a result, detailed and reliable accounts of this legal dimension of the Balkan Wars are somewhat difficult to locate, and a primary purpose of this article is thus to engage critically with a range of contemporaneous sources, including official British documentation and correspondence, and the specialist press. This is done in order to gauge the effectiveness of, arguably, the last coherent exercise in neutrality to occur in the XXth Century. An overview of the causes of the Balkan Wars is first provided, after which the background to the rules of neutrality put into operation in 1912 is given. The tensions between European neutrality, and the need to maintain the balance of power in an industrialised Europe, are then discussed. It is concluded that European neutrality did in fact operate well in 1912 and 1913 to confine the Balkan Wars to the Balkan Peninsula, but that this was due mainly to the nature of those conflicts.

2. The Balkan League of 1912 and the Wars – an Overview

The ostensible purpose of the Balkan League in 1912 was to promote the strength of the newly independent Balkan nations against larger world powers.[11] The 'liberation' of Macedonia from Turkish rule was the avowed goal driving the Balkan League towards war with Turkey in 1912.[12] While the history of the Balkan Wars is discussed extensively

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(Washington, D.C.: Carnegie Endowment for International Peace, 1913 and 1993), pp. 68 – 9; S.B. Fay, The Origins of the World War, Vol. I (New York: Free Press, 2d rev. ed. 1966), pp. 444 – 5; 'Balkan Anarchy and Bulgaria's Losses', The Economist, 4 October 1913, pp. 635 – 6 (fear that Bulgaria and Turkey might now ally against Greece and Serbia).

[8] The law of neutrality was effectively modified during World War 1, primarily due to the advent of economic warfare, and advancements in military techniques. See, e.g., G.G. Phillimore, 'The Future Law of Neutrality' [1918] 4 Grotius Transactions 43; Q. Wright, 'The Present Status of Neutrality' [1940] 34 A.J.I.L. 391; J.F. Lalive, 'International Organisation and Neutrality' [1947] 24 B.Y.B.I.L. 72; P.M. Norton, 'Between the Ideology and the Reality: The Shadow of the Law of Neutrality' [1976] 17 Harv. I.L.J. 249; Y. Dinstein, 'The Laws of Neutrality' [1984] 14 Isr. Y.B.H.R. 80, A. Gioia, 'Neutrality and Non-Belligerency', in International Economic Law and Armed Conflict (H.H.G. Post, ed.) (London: Martinus Nijhoff, 1994), at p. 51.

[9] E.g., to prevent belligerents from using belligerent territory, and to prevent nationals of neutral states from carrying out certain activities. A. Gioia, ibid., pp. 80 - 1.

[10] 'Slaughter in the Balkans and the Finance of the War', The Economist, 12 July 1913, pp. 50 – 1.

[11] Carnegie, p 44. See generally The Times, 17 October 1912, p. 6.

[12] Carnegie, pp. 35 – 9; 'M. Sazonoff's Visit', The Times, 1 October 1912, p. 8.

elsewhere[13], a brief overview of the events which drove the Balkan nations into their uneasy coalition, and into a war on behalf of Macedonia in 1912, is necessary in order to contextualise the pre-World War I status of neutrality.

2.(a) 'Autonomy' and Sovereignty

From the defeat of an army of Serbs, Albanians, Bosnians, and Croats by the Ottomans at Kossovo Polje (Field of the Blackbirds) on 15/28 June 1389 (Vidov-Dan, or St. Vitus's Day)[14], most Balkan peoples lived under Turkish rule or control.[15] By the XVIIIth Century, a minority of Balkan nationalities lived under Hapsburg rule. Nonetheless, national liberation was in the air, and the gradual decline of Ottoman power throughout the late XVIIIth and XIXth Centuries, coupled with the strategic geographic position of the Balkan Peninsula, ensured that the fate of the Balkan peoples became inextricably linked with the European balance of power.[16] Ottoman hegemony in the Balkans was finally broken in 1878. Russian armies, at war with Turkey[17], assisted the Bulgarians to defeat the occupying Turkish armies in 1877 - 78, which effectively forced the Turks to accept the Treaty of San Stefano on 3 March 1878. This treaty provided for a Bulgarian state comprising the predominantly Bulgarian parts of Turkey and extensive stretches of the Aegean coast. The Treaty also made Serbia and Montenegro independent.[18]

The Treaty of San Stefano, however, proved unpopular. Greece, Serbia, and Rumania objected to the creation of a 'Greater Bulgaria'. Great Britain and Austria feared Bulgaria would be a Russian vassal state[19], which Austria did not want on its border, and which Britain felt could endanger the Suez Canal. In turn, the German Chancellor Bismarck was persuaded to organise a conference in Berlin to revise the Treaty of San Stefano[20], and its replacement, the Treaty of Berlin of July 1878[21], marked the effective end of Ottoman power in the Balkans.[22] While Russia felt cheated by this revision[23], it still made important gains

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[13] Useful discussions are given by C. Jelavich and B. Jelavich, The Establishment of the Balkan National States, 1804 - 1920, (Seattle: Univ. of Washington Press, 1977); B. Jelavich, Modern Austria: Empire and Republic 1815 - 1986 (Cambridge: C.U.P., 1987); B. Jelavich, History of the Balkans: Eighteenth and Nineteenth Centuries, Vol. I (Cambridge: C.U.P., 1983).

[14] Archduke Ferdinand was assassinated in Sarajevo on the 525th anniversary of the Battle of Kossovo. See S. B. Fay, supra note 7, p. 355; B. Jelavich, Modern Austria, ibid., pp. 31 - 34. The Balkan peoples used three separate calendars until after World War I: the Muslim (events dated from 622 a.d.), the Julian (Orthodox), and the Gregorian (Catholic/ Protestant). By the XXth Century, the Julian calendar ran thirteen days behind the Gregorian. B. Jelavich, History of the Balkans, ibid., p. xiii.

[15] Many, particularly those living in Bosnia, converted to Islam.

[16] B. Jelavich, History of the Balkans, supra note 13, p. 186. For brief overviews of the struggle for national liberation in the Balkans, see B. Jelavich, Modern Austria, supra note 13, p. 74; B. Jelavich, History of the Balkans, ibid., pp. 48 - 57, 74, 214 - 229, 234; S.B. Fay, supra note 7, pp. 355, 357; Carnegie, pp. 4, 22 - 3.

[17] Russia, having agreed a future peace settlement with Austria, declared war on Turkey in April 1877. B. Jelavich, Modern Austria, ibid., p. 73.

[18] S.B. Fay, supra note 7, p. 66. Russia and Austria-Hungary had privately agreed on 8 July 1876 that 'Austria-Hungary should have the right to "occupy and administer"' Serbia and Montenegro, post-independence. Carnegie, p. 26.

[19] On the rise of the Bulgarian national movement, see B. Jelavich, History of the Balkans, supra note 13, pp. 335 - 48.

[20] S.B. Fay, supra note 7, p. 67; B. Jelavich, Modern Austria , supra note 13, p. 74.

[21] Treaty of Berlin, reproduced in State Papers, Vol. 69, at p. 758.

[22] Although Albania, Macedonia, Thessaly and Epirus remained under Ottoman administration until 1881. B. Jelavich, History of the Balkans, supra note 13, p. 361.

[23] As a result, Russian accelerated its armaments build-up, and pushed its troops into Poland, toward the German frontier. In response, Germany established the Austro-German Alliance with the Treaty of 7 October 1879. S.B. Fay, supra note 7, p. 67; B. Jelavich, Modern Austria, supra note 13, pp. 74 - 5.

on the Black and Caspian Seas, and in parts of Bessarabia lost in 1856. More problematically, the Treaty of Berlin accorded to Austria-Hungary the right to occupy and administer Bosnia and Herzegovina and, if military necessity required, to occupy the Sanjak of Novibazar which separates Serbia and Montenegro.[24] Romania, Serbia, and Montenegro became independent. Greece, Serbia, Montenegro, and Romania received additional territory.[25] The emerging state of Bulgaria was again dismembered: an autonomous Bulgarian state was established north of the Balkan Mountains, a semiautonomous province lay to the south, and Macedonia and Thrace were returned to direct Ottoman rule.[26] Bulgarian independence would wait until 1908.[27]

Thus, towards the end of the XIXth Century, Greece, Romania, Serbia and Montenegro had established independent governments. Bulgaria and Croatia had autonomous regimes[28], and an Albanian national movement had arisen. Macedonia was left in Turkish hands by the Berlin Congress, but its fate had long been in contention between the rival powers of Serbia, Greece, and Bulgaria.[29] The Macedonian population, called 'Boulgari' for centuries, began to identify itself as Bulgarian and Slav[30], and a Macedonian revolutionary movement arose for which Bulgaria was held directly responsible. The Ottomans responded with oppression, particularly over the years 1898 to 1912, during which time the European Powers negotiated periodically for Macedonian autonomy.[31] Further tensions resulted when Austria-Hungary announced the annexation of Bosnia and Herzegovina on 6 October 1908, one day before Bulgaria proclaimed independence from Turkey.[32] The trigger to war in 1912 occurred over a final period from 1908 – 1912.[33]

2(b). The Outbreak of War

The Balkan League was built upon a series of bi-lateral treaties of defensive alliance between Serbia, Bulgaria, Greece, and Montenegro[34], but a liberationist dimension persisted, as the steady disintegration of the Ottoman Empire encouraged the territorial

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[24] Which it did in 1878. S.B. Fay, ibid., p. 356. By the Dual Compact of 1867, the Hapsburg Monarchy could acquire territory only with the consent of both halves of the Monarchy. Thus, Bosnia was 'occupied' in 1878, but not annexed, and its administration was in the hands of a military governor. S.B. Fay, ibid., p. 373; B. Jelavich, History of the Balkans, supra note 13, p. 74.

[25] The Ottoman government had surrendered control of Cyprus to the British before the Berlin conference opened. B. Jelavich, History of the Balkans, ibid., pp. 360 – 1.

[26] B. Jelavich, Modern Austria, supra note 13, p. 74; Carnegie, p. 40; B. Jelavich, History of the Balkans, ibid., p. 360.

[27] Carnegie, p. 42.

[28] B. Jelavich, History of the Balkans, supra note 13, foreword.

[29] B. Jelavich, History of the Balkans, ibid., p. 333; Carnegie, pp. 31 – 2, 46; 'War Declared', The Times, 18 October 1912, p. 7. Article 23 of the Berlin Treaty in part concerned Macedonian autonomy.

[30] Carnegie, p. 26.

[31] Carnegie, pp. 33 – 7. From 1896 to 1906, Russia and Austria co-operated to prevent the issue of Macedonia provoking a European crisis. B. Jelavich, Modern Austria, supra note 13, p. 131.

[32] See S.B. Fay, supra note 7, pp. 374 – 8. Serbia protested that the annexation was in breach of the Treaty of Berlin. Turkey accepted the Austrian offer of £T2,500,000 on 26 February 1909, in compensation 'for the loss of crown property'. S.B. Fay, ibid., pp. 379, 388.

[33] When the 'Young Turks' attempted to 'Ottomanise', or abolish the rights and privileges of, the minority populations. Carnegie, pp. 11, 24 – 5, 35; B. Jelavich, History of the Balkans, supra note 13, p. 337.

[34] The agreement between Montenegro, Bulgaria, and Greece was made at the outbreak of the Turco-Italian war in September 1911, that between Serbia and Bulgaria in March 1912, and that between Greece and Bulgaria in May 1912. Carnegie, pp. 43 – 7. See also S.B. Fay, supra note 7, pp. 426 – 38.

ambitions of the newly independent Balkan states.[35] Despite the defeat of Turkey in its brief war with Italy in 1911, and the success of an Albanian revolt in the Spring of 1912 against Turkish rule[36], Europe expected in the event of war 'to see the Allies given a drubbing by the Turks, whom everybody in Europe regarded as infinitely their superiors'.[37] Moreover, an Austro-Russian proclamation issued early in October 1912 indicated that 'if war broke out ... they would not permit any change in the territorial status quo of Turkey in Europe'.[38] This communication had little influence, and Montenegro declared war on Turkey on 8 October 1912, while the note was under consideration. Hostilities began on 9 October.[39] On 13 October 1912, the Balkan Allies formally demanded Turkey's consent to the autonomy of the European vilayets.[40] On 17 October, Turkey declared war against Bulgaria and Serbia[41], which was reciprocated, with the addition of a declaration of war by Greece.[42]

Fighting took place throughout Macedonia, and the goal of Macedonian conquest was gained quickly – roughly, by 31 October 1912. Bulgaria and Serbia effectively agreed to end the war in November 1912, but a December armistice quickly broke down as hostilities resumed.[43] A final Turkish drive into the Gallipoli peninsula proved abortive, and Turkey sued for peace. Montenegro provoked an international maritime blockade of its coasts when it continued its siege of Scutari.[44] The Treaty of London ending this First Balkan War was signed in May 1913 under British 'honest brokerage'.[45] Crete was united with Greece, Bulgaria was awarded the largest share of disputed territory, and Albania was made independent.[46]

Macedonian independence was unfortunately made impossible by the rival claims of Serbia, Greece, and Bulgaria.[47] Serbian and Greek demands for territory in Macedonia after the

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[35] S.B. Fay, ibid., p. 353; Carnegie, pp. 4 - 5. The decay of Turkey provoked apprehension in Austria regarding its own minorities. S.B. Fay, ibid., pp. 357 – 9.

[36] The Albanians secured autonomy, which the Serbs opposed. Carnegie, p. 47; S.B. Fay, ibid., p. 354.

[37] Carnegie, p. 48. See also 'M. Sazonoff's Visit', supra note 12; 'Representations by the Powers', The Times, 2 October 1912, p. 8.

[38] Quoted in Carnegie, p. 49. This stance was controversial. See generally The Times, 7 October 1912, p. 8.

[39] See G.P. Gooch and H. Temperley (eds.), Documents on the Origins of the War 1898 – 1914, Vol. IX, Balkan Wars Part II: The League and Turkey.) ('Documents') (London: H.M.S.O., 1934), Nos. 1, p. 1; 5, p. 4; 9, p. 6; 10, p. 6; 461, p. 368. See generally The Times, 6 October 1912, pp. 6, 7.

[40] See Documents, No. 24, pp. 17 - 8. See generally The Times, 16 October 1912, pp. 6, 7. The vilayet was an administrative section of the Balkans. B. Jelavich, History of the Balkans, supra note 13, p. 57.

[41] See generally The Times, 18 October 1912, p. 7, and 19 October 1912, p. 5. See also Documents, No. 24, pp. 17 – 8; 'Greek Notification of Declaration of War against Turkey, 17 October 1912', supra note 5.

[42] See Documents, No. 24, pp. 17 - 8.

[43] The horrors of which are extensively recounted by the investigating Carnegie Commission. Carnegie, pp. 208 – 34, 277 – 398. This resumption of hostilities is usually termed 'the Second Balkan War', while the re-commencement of hostilities in late June 1913, and Serbian-Albanian fighting in October 1913, are each variously termed a 'Third Balkan War' in the literature.

[44] S.B. Fay, supra note 7, p. 444. See 'Notification (International Blockade), 10 April 1913', State Papers, Vol. 106, p. 448 (London Gazette, 11 April); 'Notification (Raising of Blockade), 15 May 1913', State Papers, ibid., p. 457 (London Gazette, 16 May).

[45] 'Treaty of Peace between Bulgaria, Etc., 17 May 1913', supra note 6. See, e.g., Documents Nos. 437, p. 336; 440, p. 339; 478, p. 381; 510, p. 411; 632, p. 511; 668, p. 545; 676, p. 551; 980, p. 798.

[46] This excluded Serbia from the Adriatic. Fay considers the Albanian compromise to be the indirect cause of the Second Balkan War. S.B. Fay, supra note 7, pp. 347, 440 - 4, 465.

[47] Carnegie, pp. 38, 168 – 9.

first Balkan War were based on two grounds: (1) the clauses of the treaty of defensive alliance dealing with territory had been modified in application, and (2) external circumstances not foreseen by the treaty had profoundly changed the prior agreements. Bulgaria allegedly had not provided the Serbs with promised military assistance but had instead occupied Adrianople and Thrace while Serbia lost its Adriatic littoral.[48] The Greeks on the other hand had occupied Salonica, the Bulgarians, forts outside Constantinople, and the Serbians, the Vardar valley[49], the Sanjak, and the northern part of Albania, thereby gaining a temporary outlet on the Adriatic. Thus, it was argued, the treaty had been violated. The 'alliance of liberation' was soon to turn into a 'war of extermination'.[50]

On 29 June 1913, Bulgaria attacked as a Russian arbitration to deal with the territorial disputes opened[51], and this second Balkan War of 1913 would be characterised by a more traditional, hostile, individualism. Serbia, Greece, Rumania, Montenegro, and Turkey soon surrounded the Bulgarians, who found themselves fighting on four fronts.[52] On 11 July, Bulgaria made its first appeal for help to Europe; negotiations opened in Bucharest on 30 July. The Peace of Bucharest was signed on 10 August.[53] Macedonia was parcelled out to Serbia and Greece; some former Bulgarian territory was ceded to Rumania.[54] Most Bulgarian Turkish conquests from the First Balkan War were annulled. Peace was concluded with Turkey on 29 September 1913.[55] Serbia had nearly doubled her territory, but the consolidation of these gains needed continued Russian support.[56]

3. European Neutrality

In October 1912, this dispute between Turkey and the Balkan League was not, generally speaking, one in which the Great Powers might ordinarily involve themselves. Nonetheless, war in the Balkans was problematic for many reasons. It was a particular concern that the forcible intervention of one Great Power in the Balkans would inevitably involve the interests of, and the balance of power between, the other Powers[57], and Fay notes that '(t)he

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[48] Carnegie, pp. 58 – 63; S.B. Fay, ibid., pp. 443. The maxim pacta sunt servanda was thus allegedly modified by that of rebus sic stantibus. Carnegie, p. 208 – 10.

[49] S.B. Fay, ibid., p. 439; Carnegie, p. 39.

[50] 'The Fratricidal War', The Economist, 5 July 1913, pp. 2 – 3.

[51] Carnegie, pp. 63 – 4, 169. Cf. 'The Fratricidal War', The Economist, ibid. (intermittent fighting had already been going on for two months); 'War and Armaments Loans', The Economist, 27 September 1913, p. 602 (allegation that '29 millions' in Ottoman Debt, paid by Russia, allowed the Turks to resume hostilities).

[52] Serbia and Greece, later joined by Rumania, concluded a secret treaty for joint action against Bulgaria on 1 June 1913. 'Treaty of Graeco-Serbian Alliance, 19 May/1 June 1913', State Papers, Vol. 108, p. 686. See Carnegie, pp. 5 – 6, 135 – 47.

[53] Reproduced in State Papers, Vol. 107, p. 658. It was necessary for the Treaty of Bucharest to be ratified by the Powers. [1913] 7 A.J.I.L. 858.

[54] See Letter, 'The History and Finances of Modern Greece', The Economist, 20 September 1913, pp. 552 – 3.

[55] See supra note 7.

[56] Rumours circulated of a Serbo-Montenegrin merger. Serbian military officers of the secret 'Black Hand' wished to push forward, into Austria-Hungary. S.B. Fay, supra note 7, pp. 445 - 6, 454, 482 – 6; Carnegie, pp. 169 – 72; B. Jelavich, Modern Austria, supra note 13, pp. 133 - 4. See also Prince Lichnowsky, 'My Mission to London, 1912 – 14', accessed at http://www.lib.byu.edu/~rdh/wwi/1914m/lichnowy.html, pp. 5 – 6; 'Austro-Hungarian Note to Serbia, 23 July 1914', State Papers, Vol. 108, p. 695; Letter to the Editor, 'The New Balkan Danger', The Economist, 4 October 1913, p. 653.

[57] Particularly in view of the European alliance system in force at the time. The Triple Entente consisted of Russia, France, and Great Britain. Italy was drawn into the German orbit in 1882, forming, with Austria-Hungary, the Triple Alliance. M. Gilbert, First World War (London: Harper Collins, 1995), pp. 3, 5 - 6. Rumania was a secret member of the Triple Alliance from 1883, but joined the Serb-Greek alliance against Bulgaria. S.B. Fay, ibid., pp. 475 – 80, 489. See, e.g., 'Letter of 1 September 1914', State Papers, Vol. 108, pp. 789 – 95, 790.

Balkan situation was one of the most important factors in causing the World War'.[58] Therefore, as the outbreak of war in the Balkans in 1912 looked increasingly likely, the leaders of the Great Powers worked behind the scenes to remain neutral, and to co-ordinate a policy which would keep the conflict 'localised'.[59] In effect, 'localisation' at this stage meant that the Powers hoped to find some agreed formula by which to prevent, or shorten, the recourse to armed force between Turkey and the Balkan states.

However, the fact that by 1912 increasingly sophisticated rules of neutrality were acknowledged by most 'civilised' states did not prevent ongoing debate about their continued relevance in the modern world, particularly as neutral rights were so obviously in direct competition with those of the belligerents.[60] Moreover, the alliance system in Europe at the time fully reflected the war-mongering of industrial and financial interests, and operated such that, once triggered, a policy of neutrality could be practically impossible to implement. This is what occurred on the outbreak of World War I, and the following private statement is of note:

> Under the circumstances it is to be feared that, although the war seems for the present to be localised, should the arms of the Balkan States be successful against Turkey, the end of the war will mark the really dangerous moment for the peace of Europe.[61]

It is therefore the purpose of this section to provide an overview to the background of European neutrality as that word was understood at the time of the Balkan Wars, and to outline the points of tension which persisted in 1912 and 1913 between policies of neutrality, on the one hand, and the dictates of collective action, on the other.

3(a). The Rationale of Neutrality

The complete sovereign 'right' to wage war which existed until relatively recently[62] had as its corollary a corresponding sovereign 'right' to adopt and maintain neutrality during the wars of other states.[63] Historically, neutrality took shape largely after 1648 with the growth of bi-lateral treaties of friendship and amity which stipulated that the contracting parties were not to assist an enemy during war.[64] More recently, a policy of neutrality became an important device with which to keep wars of national independence localised, and Verzijl[65] attributes the signing of the peace treaties to end the Napoleonic wars in 1815 as the end of the early period of neutrality.[66] By 1912, neutral states were bound to treat each belligerent

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[58] S.B. Fay, ibid., p. 353. See also B. Jelavich, History of the Balkans, supra note 13, p. 133 ('it was the Balkan entanglements that were to lead Europe to war').

[59] 'Localisation' was termed 'not in itself a policy at all'. 'Hopes and Fears', The Times, 4 October 1912, p. 6. See also 'Opinion in Berlin', The Times, 3 October 1912, p. 6 ('localisation of the war – whatever that may mean in a conflict which is to involve five Powers from the outset and is presumably to settle the future of Macedonia – is, in fact, the only available diplomatic formula').

[60] N. Politis, supra note 2, pp. 28- 9. See also A. Gioia, supra note 8, p. 56 (neutrality as a compromise between conflicting interests).

[61] Documents No. 48, p. 39 (Sir R. Paget to Sir E. Grey, Belgrade, 19 October 1912).

[62] Supra note 3. See also D.J. Hill, 'Permanent Court of International Justice' [1920] 14 A.J.I.L. 387 (the Covenant was primarily a military compact, as it was designed to enforce peace through force).

[63] See, e.g., G.G. Phillimore, supra note 8, p. 43; H. Lauterpacht (ed.), Oppenheim's Treatise on International Law, Vol. II (Disputes, War and Neutrality) (London: Longmans, 7th ed., 1952), pp. 653 - 4.

[64] Editorial Comment, Brown, 'Neutrality' [1939] 33 A.J.I.L. 726.

[65] J.H.W. Verzijl, International Law in Historical Perspective: the Law of Neutrality, Vol. X Part IX-B (Alphen aan den Rijn: Sijthoff & Noordhoff, 1979), p. 46.

[66] As the rules developed in the XIXth Century, the term 'neutrality' came to operate across a spectrum which concerned, on the one hand, perpetual or permanent neutrality,

impartially, were not to engage in any warlike acts themselves, and were not to allow neutral territory to be used as a base of hostile operations.[67] A stance of state neutrality meant further that no state assistance to a belligerent should be proffered in forms such as the official provision of troops, money loans, war material, or permission to use neutral state territory. In turn, the right of neutral states to remain at peace with both the belligerents and other states could check the spread of war, and localise it.

In operational terms, however, the duties of neutral states during wartime had their practical limits, and there was little or no positive development, at least until the latter part of the Nineteenth Century, of a neutral state duty to prevent or penalise many private commercial acts.[68] Instead, the prevention or punishment of un-neutral private commercial activity was left largely to the belligerent against which such trade was directed.[69] This underlying distinction between neutral state, and private, obligation was exposed to considerable strain, however, and there was a constant danger that a neutral state could be drawn into a war through the trade activities of its nationals.[70] In other words, there was a constant conflict between the respective 'rights' of belligerents and neutrals, and neutral states were forced by the conditions of war to accept certain restrictions on their otherwise normal intercourse, such as the visit and search of neutral merchant vessels by belligerents in search for prohibited contraband[71], and the exclusion of neutrals from combat areas, in exchange for being left to continue largely uninterrupted peacetime relations. As noted by one commentator, '(h)istory shows that the consideration shown to neutrals by belligerents chiefly depends on the power of the neutral to enforce respect for his rights'[72], and neutral states on two notable occasions resorted to a defensive alliance to uphold their rights of neutral commerce.[73]

The United States recognised early in its history that private trading activities could endanger its neutrality, and on 20 April 1818, adopted a Foreign Enlistment Act[74]. By so doing, the United States went beyond the dictates of international law in prohibiting American citizens from accepting letters of marque from foreign belligerents, enlisting in the army or navy of a foreign state, and fitting-out or arming vessels intended for use by foreign belligerents. The American Act provided the basis of a similar British Foreign Enlistment Act in 1819.[75] The British Act prohibited foreign enlistment, the equipping of armed ships

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as in Switzerland, and on the other, an ad hoc stance of neutrality during war. See H. Lauterpacht (ed.), supra note 63, pp. 631 - 2, 661 - 4.

[67] Frequently termed the duty of prevention. D. Schindler, 'Transformations in the Law of Neutrality since 1945', in Humanitarian Law of Armed Conflict - Challenges Ahead (A.J.M. Delissen and G.J. Tanja, eds.) (London: Martinus Nijhoff, 1991), pp. 367, 379.

[68] For example, the Geneva Arbitration of 1870 determined that neutral states had a duty to exercise 'due diligence' to prevent the use of neutral territory in a war. See H. Lauterpacht (ed.), supra note 63, pp 757 - 8. This point had merely conventional authority at the time. F.E. Smith, International Law (London: Dent, 1900), p. 138.

[69] See H. Lauterpacht (ed.), ibid., p. 656 (citations omitted).

[70] For example, a prize capture was an act of government. See G.G. Wilson (ed.), H. Wheaton's Elements of International Law: the Literal Reproduction of the Edition of 1866 by R.H. Dana, Jr. ('Dana') (Oxford: Clarendon Press, 1936), pp. 403, 405 - 6 n. 186.

[71] See Dana, ibid., pp. 363, 378 - 9 n. 171; the 'British Notification of the Turkish Temporary Law on Maritime Prizes, 31 January 1912', State Papers, Vol. 105, pp. 105, 115 - 17; the 'Greek Prize Court Law, 8 April 1913', State Papers, Vol. 106, pp. 449, 453 (London Gazette, 16 May) (provisions for the payment of prize money).

[72] G.G. Phillimore, supra note 8, pp. 43, 44.

[73] The Armed Neutralities of 1780 and 1801. See H. Wheaton, History of the Law of Nations in Europe and America (New York: Gould, Banks and Co., 1845 (reprinted 1973)), pp. 290 - 8; E. Chadwick, 'Back to the Future: Three Civil Wars and the Law of Neutrality' [1996] 1 Journal of Armed Conflict Law 1, 4 - 5; G.G. Phillimore, ibid., pp. 48 - 50.

[74] C. 88, S.8, 3 Stat. 449. See C.S. Hyneman, 'Neutrality during the European Wars of 1792 - 1815 [1930] 24 A.J.I.L. 279.

[75] 59 Geo. III. C. 69. See H. Lauterpacht (ed.), supra note 63, pp. 632, 669.

for belligerent use, and the reinforcement of belligerent warships in British waters.[76] Further harmonisation was achieved in 1856, with the Declaration of Paris[77], and in 1907, with Hague Conventions V and XIII[78]. Other Hague instruments dealt with particular issues of neutrality, as they applied in other contexts.[79] Reference may also be made to the Declaration of London of 1909, concerning the laws of naval war.[80] By no means however were these codifications viewed as complete.

3(b). The Effect of Collective Organisation on Neutrality

Although the states of Europe by 1912 had adopted various international conventions through which to guide state conduct in matters of neutrality, as well as individual neutral policies for localising the Balkan Wars, the rules of neutrality were nonetheless being diminished in importance by conflicts of interest. For example, and as noted above, neutral rights to continue trading peacefully during a war were in direct competition with those of the belligerents to intercept such trade. The trading stakes at the time were further raised not only by the free trade in, and steady deployment of, new and indiscriminate instruments of warfare, such as anchored and unanchored mines[81], submarines, and aircraft, but further, by the ready availability of such weaponry which, as noted by another commentator, 'tend to render belligerent nations impatient of any action by neutrals which seems unsympathetic to their cause'.[82] Neutral countries contiguous to the enemy were constantly in danger of being transformed into a base of belligerent supplies. A belligerent which found itself the object of a maritime blockade by the enemy could still find its rail and inland waterway routes into adjacent neutral territory useful for shipping commerce,

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[76] It was replaced in 1870 by a Foreign Enlistment Act which went further still: 33 & 34 Vict. c. 90 formed the basis of the British Proclamation of Neutrality on 21 October 1912. See infra note 112, and accompanying text.

[77] Reprinted in A. Roberts and Richard Guelff (eds.), Documents on the Laws of War ('Roberts/Guelff') (Oxford: Clarendon Press, 2d ed. 1989), pp. 24 – 5. Privateering was abolished, and rules were agreed regarding search and seizure at sea, and the law of blockade. See H. Fujita, 'Commentary: the 1856 Paris Declaration', in The Law of Naval Warfare: A Collection of Agreements and Documents with Commentaries (N. Rozitti, ed.) (London: Martinus Nijhoff, 1988), at p. 66.

[78] Hague Convention V, respecting the Rights and Duties of Neutral Powers and Persons in War on Land, and Hague Convention XIII, respecting the Rights and Duties of Neutral Powers in Naval War. In force 26 January 1910. Reprinted in Roberts/Guelff, ibid., at pp. 63, and 110, respectively. The 1907 Hague Conference was attended by the representatives of 44 states, and followed an earlier Conference in 1899. See also D. Schindler, 'Commentary: the 1907 Hague Convention XIII – Neutral Powers in Naval War', in N. Ronzitti (ed.), ibid., at p. 211.

[79] Convention VII, relative to the Conversion of Merchant-ships into Warships; Convention VIII, relative to the Laying of Automatic Submarine Contact Mines; Convention XI, relative to Certain Restrictions on the Exercise of the Right of Capture; Convention XII, relative to the establishment of an International Prize Court.

[80] Never ratified but followed in the Turco-Italian War of 1911. Reprinted in D. Schindler and J. Toman (eds.), The Laws of Armed Conflict (Leiden: Sijthoff, 1973), p. 625, and [Suppl. 1909] 3 A.J.I.L. 179 – 220. Rules cover, inter alia, blockade, contraband, capture at sea, destruction of neutral prizes. See H. Lauterpacht (ed), supra note 63, pp. 633 – 4; 'Capture and Prize Law', The Economist, 15 January 1913, pp. 1077 – 8; F. Kalshoven, 'Commentary: the 1909 London Declaration', in N. Ronzitti (ed.), supra note 77, at p. 257.

[81] See Rev. T.J. Lawrence and M. Carter, 'Neutrality and War Zones' [1915] 1 Grotius Transactions 33, 37 (submarine mines deployed in the Russo-Japanese war of 1904 killed Chinese fishermen indiscriminantly); 'The Liberal Federation and the Premier's Speech', The Economist, 29 November 1913, pp. 1170 – 2, 1171 (opinion that floating mines should be prohibited).

[82] G.G. Phillimore, supra note 8, p. 43.

as well as for carrying on trade in armaments.[83] It is thus the purpose of this section to discuss the contexts within which the laws of neutrality operated in 1912.

The imperialist race to control distant ports and transportation routes, such as the German railway from Berlin to Baghdad, meant that the balance of power between the Great Powers involved interests which could be affected by events in the Balkans. For example, Russia was 'champion' of Serbia, and as reported in The Times:

> [A] danger is that Turkish success might compel Russia to take the lead in intervening to prevent the two Slav States from being completely crushed, and that such intervention, which Turkey would find difficult to accept, might lead to serious differences among the Powers.[84]

Russian interest also extended to other Slav races under Austrian rule – Ukrainians, Ruthenes and Poles. Both Russia and Austria-Hungary sought extensive outlets to the Adriatic.[85] Austria feared for its coastline should the Slavs unite under Serbian leadership, and Austria regarded Serbia as an irritant.[86] The possibility existed throughout 1912 and 1913 of Austrian mobilisation for a punitive attack on Serbia[87], if only to secure the Austrian annexation of Bosnia Herzegovina in 1908.[88] Gilbert notes:

> Serbia, landlocked since she first won independence several decades earlier as the first Slav state of modern times, wanted an outlet on the Adriatic, but was blocked by Austria, which in 1908 had annexed the former Turkish province of Bosnia-Herzegovina. This annexation ... completed Austrian control of more than three hundred miles of Adriatic coastline. ... .
>
> Each minority inside Austria-Hungary wanted either to link up with a neighbouring state, such as Serbia, Italy and Rumania, or, in the case of Czechs and Slovaks, Slovenes and Croats, to carve out some form of autonomy, even statehood of its own.[89]

These stirrings of minority discontent further highlight the advantages of preserving neutrality during the Balkan confrontations with Turkey, and each other. For so long as these conflicts to achieve some form of pan-Slav identity remained 'localised' on the Balkan Peninsula, the manifold interests of the European Powers were better served by neutrality. A rapid Turkish victory was anticipated in any event, and there were concrete hopes to preserve the status quo.[90] A Balkan victory created apprehension that another 'Great Power' might be created, an unwelcome development.[91] There is indication moreover that

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[83] A fear expressed in the context of World War 1. Sir J. Macdonell, 'Some Notes on Blockade' [1915] 1 Grotius Transactions 97, 106 – 7 (opinion of Sir E. Grey).

[84] Bulgaria and Serbia are referred to. 'M. Sazonoff's Visit', supra note 12.

[85] See S.D. Cole, 'Neutrals and Belligerents in Territorial Waters' [1916] 2 Grotius Transactions 87.

[86] See, e.g., Documents Nos. 76, p. 61; 90, p. 74; 94, p. 77; 115, p. 90; 134, p. 102; 176, p. 133; 324, p. 241; 379, p. 284; 406, pp. 306 – 7; 582, p. 467; 1155, p. 917.

[87] In fact, the trigger for World War 1. See 'Correspondence relative to the European Crisis, 20 July – 1 September 1914', State Papers, Vol. 108, pp. 693 – 795; 'Correspondence, 1 September 1914', ibid., pp. 789, 790 (Austrian 'disappointment in many quarters at the avoidance of war with Serbia ... in connection with the recent Balkan war').

[88] M. Gilbert, supra note 57, p. 6.

[89] M. Gilbert, ibid., p. 5.

[90] Supra note 38; infra note 99. See, e.g., Documents Nos. 15, p. 11; 136, p. 104; 146, p. 110. Cf. Documents Nos. 72, p. 58; 91, p. 74. The term 'status quo' referred to territory.

[91] See, e.g., Documents No. 67, p. 54; S.B. Fay, supra note 7, p. 442 (Poincaré felt the new Balkan Alliance was virtually equivalent in strength to a Great Power). Cf. Documents No. 175, p. 131 (opinion that, after victory against Turkey, 'the Balkan nations could fight amongst each other ... without disturbing Europe at all').

the levels of Great Power co-operation achieved in localising the Balkan Wars were felt by some to be evidence of the emergence of a 'new' Concert of Europe[92] to preserve the peace.[93] Thus, the following aspirational interpretation is illuminating:

> During the Balkan wars the Concert of Europe became a real thing. It failed to prevent the smaller Powers from going to war; it succeeded in making peace possible between the Great Powers. Austria-Hungary[94] and Russia were too acutely affected by the changes in the balance of power to take up a neutral attitude. Italy was affected by her recent war with Turkey.[95] But France, Germany, and Great Britain were able to take a detached view and to exercise a strong and successful influence in favour of peace. For once Europe was a reality. Though the Six Powers did not ultimately succeed in imposing their will on the Balkan League and on Turkey, they did succeed in localising the war.[96]

Thus, a certain strategic dimension existed to co-ordinate the tensions between 'collective security' and neutral duties[97], and Wright notes presciently that neutrality could in fact promote collective action to localise the wars of smaller states.[98] On the other hand, the alliance, and defensive, guarantee system with which Europe at the time functioned hardly permitted a stance of neutrality should a Power feel obligated to move militarily into the Balkans. The apprehension that territorial change in particular could disrupt the peace of Europe is reflected in the following statement issued at the outbreak of the first Balkan war in 1912: 'all the Great Powers have announced in an unequivocal form to the Balkan States that they would not tolerate any infringement of the status quo'.[99] Nonetheless, the sense of 'Christian solidarity' which had traditionally directed Great Power assistance to the Balkans since early in the Nineteenth Century[100] continued as the Great Powers worked behind the scenes to co-ordinate reform in the Balkans[101], and the peace terms which culminated in the Treaty of London, signed in May 1913.

4. 'Municipal' Action Taken

As discussed previously, neutral states were obligated to prevent the belligerent use of neutral territory and harbours, as in the passage of troops through neutral territory. The existence of imperial interests throughout the Near East, such as the British occupation of Egypt[102], further ensured that this aspect of neutral duty was kept under tight surveillance. Neutral states also had a duty municipally to control those private activities which could

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[92] Defined after 1815 as Russia, Germany and Austria-Hungary, and charged with maintaining a (largely monarchical) Europe of peace and stability. See W.E. Darby, 'Some European Leagues of Peace' [1918] 4 Grotius Transactions 169, 183 – 88.

[93] See S.B. Fay, supra note 7, pp. 351, 435 - 8.

[94] See, e.g., 'The Armaments Crisis in Austria', The Economist, 11 October 1913, pp. 691 – 2 (Austrian mobilisation from January to June cost approximately £16,666,000, raised at very high rates from a Berlin syndicate of bankers).

[95] A reference to the Italo-Turkish war of 1911. A provisional peace treaty was announced 15 October 1912, one week before the outbreak of the first Balkan War. State Papers, Vol. 106, p. 1096; The Times, 16 October 1912, p. 7.

[96] Documents 'Forward', p. vi. See also The Times, 6 October 1912, p. 7; 'Slaughter in the Balkans and the Finance of the War', supra note 10.

[97] For use of this terminology, see Q. Wright, supra note 1, p. 792.

[98] Q. Wright, ibid., p. 786 n. 74 (citations omitted).

[99] Emphasis added. Documents No. 26, p. 20. See also S.B. Fay, supra note 7, pp. 434 – 438; 'Hopes and Fears', The Times, supra note 59. Cf. supra note 38.

[100] E.g., intervention in 1826 to place Greece under Western protection against the Turks, and action taken in the 1828 Greek Revolution by France, GB, and Russia. H. Wheaton, supra note 73, pp. 560 – 3; Dana, supra note 70, pp. 88 – 93 n. 36.

[101] Cf. Documents No. 16, p. 12 (should the Powers direct the reforms, 'the Balkan States would ... be really making war not against Turkey, but against the Powers'.)

[102] See Documents Nos. 35, p. 24; 35, p. 25 ('Minutes'); 39, p. 30; 52, p. 42; 73, p. 59.

transform neutral territory into a military base. Otherwise, it was, generally speaking, the duty of belligerents to police such unlawful private activities of the nationals of neutral states as the carriage of contraband or the breach of blockade.

Great Britain, in particular, had little if any national interest in the Balkan Wars, but it did have a vast jurisdictional reach in terms of protectorates, colonies, and occupied zones, some of which impinged on the arena of war. There was moreover a need to protect the neutrality of Egypt, which Britain had occupied since 1882.[103] It is thus of particular interest that a 'British Circular for the Observance of Neutrality' was published quickly on 18 October 1912. This Circular was fairly typical, and closely followed Hague Convention XIII of 1907 on the subject.[104] By way of brief overview, Hague Convention XIII specifies acts which constituted a violation of neutrality by belligerents, such as the exercise of the right of search and capture in neutral territorial waters, the establishment of prize courts on neutral territory, and the use of neutral ports and waters as a base of naval operations.

The Circular was to be notified and published by 'the Governor or other chief authority of each of His Majesty's territories or possessions beyond the seas'.[105] The Circular was designed to prevent the use by any of the belligerents of waters under British jurisdiction. The four rules issued in the British Circular of 18 October 1912 were, in synopsis, as follows. First, all warships were prohibited from using the ports or roadsteads in 'any waters subject to the territorial jurisdiction of the British Crown' for any warlike purpose or to obtain any warlike equipment. This extended to all waters in the British Isles, the Colonies, foreign possessions or dependencies. In the event a warship of one belligerent should find itself in a British harbour alongside either a warship or a merchant vessel sailing under the flag of an opposing belligerent, the usual rule applied: a gap of twenty-four hours must elapse between departures.[106]

Secondly, belligerent warships arriving thereafter at a port or in waters under British jurisdiction were to depart the jurisdiction within twenty-four hours, unless bad weather or the need for basic provisions and repairs caused delay.[107] Only necessary supplies for immediate use could be obtained, and departure had to be within the twenty-four hours after completion of necessary repairs. The third rule added a prohibition as regards coal: only so much coal as would transport the belligerent ship either to its nearest home port, or to another neutral port, could be loaded. In no event could coal supplies be provided in any British jurisdiction to the same ship again, without special permission, before a gap of three months had elapsed.[108] The fourth rule prohibited either belligerent from carrying prizes into British jurisdictional waters.[109]

This prompt British Circular is of particular interest when viewed alongside the initial hesitation of British diplomats to recommend a formal British declaration of neutrality[110],

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[103] Prior to 1882, Egypt was bound to Turkey. After 1882, religious and political dependence remained with the Sultan. See Sir. M. McIlwraith, 'Legal War Work in Egypt' [1917] 3 Grotius Transactions 71, 83 - 84. See, e.g., Documents Nos. 35, p. 24; 35. p. 25; 39, p. 30; 52, p. 42; 68, p. 54; 73, p. 59. See also [1913] 7 A.J.I.L. 602.

[104] Hague Convention XIII was also invoked at the outbreak of World War I. See the various state Notifications of War, Neutrality Decrees, and Rules issued from the outbreak of war in August 1914, State Papers, Vol. 108, pp. 795 - 865, 875 - 6.

[105] 'British Circular to Public Offices for the Observance of Neutrality in the War between Turkey and Bulgaria, Turkey and Greece, Turkey and Montenegro, and Turkey and Serbia, 18 October 1912', State Papers, Vol. 105, pp. 169 - 70 (London Gazette, 21 October).

[106] See Hague Convention XIII of 1907, Article 16.

[107] See Hague Convention XIII of 1907, Articles 13 and 14.

[108] See Hague Convention XIII of 1907, Articles 19 and 20.

[109] Hague Convention XIII of 1907, Articles 21 - 23, permit more flexibility.

[110] There is arguably no requirement to issue a declaration or proclamation of neutrality, as an attitude of impartial neutrality begins when adopted, on knowledge received of the outbreak of war. See H. Lauterpacht (ed.), supra note 63, pp. 666 - 7.

which nonetheless did occur.[111] The British 'Proclamation of Neutrality', issued 21 October 1912[112], places firm emphasis on the control of British private commercial interests, and complied with Hague Convention V in many respects, even though Britain had not ratified this convention by the outbreak of World War I.[113] The rules of Hague Convention V prohibited such activities as the passage of belligerent troops, or trains of ammunition or supplies, through neutral territory, the belligerent use of wireless telegraphy erected on neutral territory, and the official recruitment of troops in neutral territory.[114] Neutral states were under no positive obligation to prevent the export or transport of goods such as munitions on behalf of one or other belligerent.[115] Reference in the British Neutrality Proclamation is also made to the British Foreign Enlistment Act of 1870.[116]

Specific issues dealt with by the British Proclamation of 1912 include a prohibition against foreign enlistment in the service of any belligerent.[117] This applied to British subjects who personally enlisted, to anyone who fraudulently enlisted persons within British jurisdiction, and to shipowners or masters who undertook to transport from within British jurisdiction any British subject so enlisting, or anyone falsely induced to enlist. Shipbuilding for belligerent purposes, where there was evidence of intent or knowledge, was prohibited. Another prohibition against fitting-out, equipping, or reinforcing ships for warlike use applied to any person within British jurisdiction, and extended to aiders, abettors, counsellors, and procurers for such purposes.[118] Punishment for persons found guilty of the breach of these provisions was by fine and imprisonment, which could include hard labour, or either. A final provision permitted the seizure, detention, and condemnation of ships built, commissioned, equipped, or despatched in breach of the Act.

5. Protective Action

Even though a state of war permits belligerents to attack each other, peaceful relations continue between belligerent and neutral states. It was the case therefore that nationals of neutral states could continue trading with the belligerents, while the belligerents could not normally trade with each other. Not to be forgotten in this context, however, is the danger that any engagement in warlike activity by neutral state nationals could endanger the neutral state's formal stance.[119] Great Britain thus issued a steady stream of notices to

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[111] There was early disagreement as to whether Britain should follow its Rules of 1904, or the precedent of the Italian-Turkish war of 1911. See Documents No. 35, p. 25 ('Minutes') (citing Lord Cromer's 5 Treaty of 16 February, and 8 Treaty of 3 March 1904). See also Documents Nos. 47, p. 36; 63, p. 51; 68, p. 54; E.C. Helmreich, The Diplomacy of the Balkan Wars (1938), p. 369 ('no united declaration of localisation and non-intervention was made'). Cf. [1913] 7 A.J.I.L. 860: '5 July 1913' (French initiative in asking the Powers to declare a policy of non-intervention).

[112] 'British Proclamation for the Observance of Neutrality in the War between Turkey and Bulgaria, Turkey and Greece, Turkey and Montenegro, and Turkey and Serbia, 21 October 1912', State Papers, Vol. 105, pp. 163 – 68 (London Gazette, 21 October). See also Statutory Rules and Orders, 1912, No. 1614; [1913] 7 A.J.I.L. 379; The Times, 22 October 1912, p. 5.

[113] H. Lauterpacht (ed.), supra note 63, p. 270.

[114] Hague Convention V, Articles 2, 3, and 4, respectively.

[115] Hague Convention V, Article 7. Cf. Article 8. See also H. Lauterpacht (ed.), supra note 63, pp. 658 – 9 (distinction between neutral state trade, and governmental control over exports).

[116] Reprinted in State Papers, Vol. 60, p. 278. See also H. Lauterpacht (ed.), ibid., p. 670.

[117] See Hague Convention V of 1907, Article 5.

[118] See Hague Convention XIII of 1907, Articles 6 and 8.

[119] Thus, Regulations and Decrees, particularly relating to the neutrality of national ports and waters, were notified to G.B. by France (18 October 1912, 21 May 1913, 25 May 1913, 30 August 1913), Germany (15 April 1913, 14 May 1913), and the Scandinavian countries (Norway, 18 and 21 December 1912, 20 January 1913; Denmark, 20 and 21 December 1912, 15 January 1913; and Sweden, 20 and 21 December 1912), reprinted in

alert its nationals regarding the conditions to be encountered throughout the Balkan Peninsula during the wars.[120] These notifications concerned such events as the extinction and re-lighting of lighthouses, the lowering and raising of blockades, and the closure and re-opening of ports. Nonetheless, the greatest financial risk to neutral trade, especially regarding coal and grain, was caused arguably by belligerent lists of 'full' and 'conditional' contraband. It is thus the purpose of this section to consider the scope of the contraband lists circulated by the belligerents, in order to gauge the success or failure of the European policy of neutral containment.

5(a). The Growing Problem of Contraband

As belligerent and neutral states remained at peace with each other, neither enemy nor neutral property (except contraband) could be seized if carried by a neutral vessel. This had been accepted practice since the 1856 Declaration of Paris. Similarly, neutral property (except contraband) carried on board an enemy merchant ship could not be seized and condemned. However, although the general rule before World War I was that the right of capture at sea was determined by the flag under which the ship sailed, this right of capture at sea was increasingly viewed as 'an obsolete relic of barbarism which cannot be reconciled with civilisation and the development of commercial shipping'.[121] In turn, the purpose of the seizure of enemy property at sea had traditionally been to disrupt the economic life of the enemy state, and the purpose of the prohibition of the carriage of contraband by either an enemy or neutral national had been to prevent the reinforcement of the war effort of the enemy. Nonetheless, the nature of shipping had changed by 1912, and the disruption caused by capture at sea now went beyond the losses caused to an enemy state, as 'ship cargoes could be owned by 100 different owners, and insured in 20 different places'.[122]

Moreover, while the prohibition of the carriage of contraband is somewhat obvious, what is perhaps not is the interplay between specified lists of contraband, and evolving notions of military necessity which served increasingly to restrict the general freedom of neutral commerce. The prohibition of trade in contraband which arose within the rules on neutrality traditionally extended to articles which were directly useful in war, such as munitions.[123] Gradually, as the manner of waging war changed, lists of prohibited contraband came to include more everyday commodities such as pitch and tar, rosin, sail cloth, hemp, masts, ship timber, and ultimately, even food.[124] Further complications arose with the issue of coal, and lists of conditional contraband. By the time of the Balkan Wars in 1912 and 1913, technological developments, growing contraband lists, and the prospect of wider economic warfare threatened not only the significance of the 1856 provisions

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State Papers, Vol. 106, pp. 913, 916, 963; Vol. 107, pp. 737, 765, 768, 774, 857, 858, 1061, 1064; Vol. 108, pp. 597, 599, 600.

[120] E.g., the extinction and re-lighting of shipping lights, port blockades, contraband lists, port closures and their re-opening, reprinted in State Papers, Vol. 105, pp. 103 – 126 (21 October – 27 December 1912); mined harbours and seas, the lowering and raising of blockades, access to ports, coal cargoes, closure of ports and their re-opening, extinction of lights, contraband lists, reprinted in State Papers, Vol. 106, pp. 442 – 49 (1 January – 3 May 1913); the discontinuance of the Greek right of search, the closure and re-opening of ports and their restricted use, mines, blockades, reprinted in State Papers, Vol. 106, pp. 457 - 60 (15 May – 26 July 1913).

[121] 'Shipowners and the Laws of Warfare', The Economist, 5 July 1913, pp. 3 – 4.

[122] 'Modern Cargoes and the Capture of Property', The Economist, 29 November 1913, pp. 1172 – 3.

[123] See, e.g., the Treaty of Amity and Commerce of 1766, Article 10, between G.B. and Russia, which restricted contraband to 'munitions of war', as defined in Article 11. H. Wheaton, supra note 73, p. 298 n. 'u'.

[124] See J.H.W. Verzijl, supra note 65, pp. 96 – 8; 'Shipowners and the Laws of Warfare', supra note 121 (Scandinavian shipowners call for the reform by treaty of contraband, to include only 'trade in warlike materials, such as weapons and ammunition').

relating to the exemption of goods from seizure at sea, except contraband[125], but also the profits of influential industrial and shipping interests.[126]

For example, an effort had been made in 1909, in the Declaration of London on naval warfare, to define contraband, if only to inject a degree of certainty into the relationship between commerce and war. In view of the known variable commodities requirements of different wars, however, the London Declaration remained unratified, but provided some guidance as to which articles of contraband needed to be notified, and which would be considered more obvious.[127] The 1909 Declaration divided goods into three basic categories: absolute contraband, conditional contraband, and so-called 'free articles'.[128] Absolute contraband consisted of articles which by their very nature were for use in war, such as ammunition and armaments. Lists of absolute contraband generally needed no notification, but a belligerent which wished to add to its list of absolute contraband needed to notify this, especially to the neutral states. Conditional contraband consisted of articles the use of which was more general, but which could also prolong a war, such as food, coal, gold, and cotton. Such articles were 'conditional' to the extent their destination was clearly military or naval. In particular cases, lists of conditional contraband also needed notification. Free articles such as medical supplies were never to be declared contraband, although they could be requisitioned through military necessity.

This attempt to provide some sort of definitive list was and remained controversial, such as the continuing disagreement occasioned by the placement of 'saddled, draught, and pack animals suitable for use in war' in the list of absolute contraband.[129] It was nonetheless the practice at the time to notify neutral states of belligerent contraband lists and variations to these lists, and this was done throughout the Balkan Wars. However, although such notifications appeared to have worked well, the issue of contraband was to threaten the destruction of the traditional distinction between the pursuance of a military war and the continuance of a commercial trade. Thus, while Great Britain, for example, could alert its shipping interests of the prohibitions in place in the war zone, and expect them to proceed accordingly, calls were made increasingly by those very interests to stop the extension of contraband lists, and to confine them simply to armaments and munitions, a reform which could not possibly occur alongside the steady mechanisation of warfare.

5(b). The Industrialisation of Contraband

A typical list of prohibited contraband was notified by Greece, the first of which occurred on 21 October 1912[130]:

> All arms and munitions, and apparatus for their manufacture or repair; all fuel, airships, aeroplanes, and accessories; saddle and draught animals; vessels which by their construction or fittings, or by other evidence, prove themselves to be intended for warlike purposes and for the use of the enemy.
>
> The following are considered contraband only if destined for the enemy's forces of administrations:
>
> Foodstuffs and forage, clothing material and shoes suitable for military purposes; gold and silver coins and bullion and their proper equivalents; apparatus

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[125] There was no attempt to define contraband in the 1856 Declaration of Paris.

[126] See, e.g., 'Shipowners and the Laws of Warfare', supra note 121; 'Capture at Sea – Dutch Shipowners', The Economist, 15 November 1913, p. 1067; 'The Liberal Federation and the Premier's Speech', supra note 81; 'Modern Cargoes and the Capture of Property', supra note 122. See also G. Kaeckenbeeck, 'Divergences Between British and Other Views on International Law' [1918] 4 Grotius Transactions 213, 231 – 50.

[127] See H. Lauterpacht (ed.), supra note 63, pp. 800 – 813.

[128] Declaration of London, Articles 23 - 27.

[129] The Powers formerly considered these items as conditional contraband. H. Lauterpacht (ed.), supra note 63, p. 804.

[130] 'British Notification of the Greek Notice of Contraband of War, 21 October 1912', State Papers, Vol. 105, p. 103 (London Gazette, 22 October).

> and materials for telegraphs, telephones, wireless telegraphy, and railways; horseshoes and accessories; telescopes, chronometers, and nautical instruments; vessels and boats and their parts.

This list was expanded 'in conformity with the code of naval warfare' by a subsequent 'Greek Notification'[131] dated 28 October 1912, and this second list perhaps better reflected the changing face of warfare. Both traditional items, and those which exhibited the increasing importance of industrialised weaponry, were listed as full contraband, including such modern commodities as 'explosives and their component parts, such as torpedoes, dynamite, pyroxyline, the various fulminates, connecting wires, and everything employed for the explosion of mines and torpedoes', and 'aeroplanes, either complete or in parts, as well as accessories and material used for ballooning or flying', alongside more traditional items such as 'saddle, draught, or pack animals which can be utilised in war'. Ships, the construction of which could give rise to suspicion regarding their intended use, were also included.[132] As for items listed as conditional contraband[133], ships of all kinds, nautical instruments, clothing, provisions (including that for animals), telegraph and railway equipment are included. A third Greek notification on 29 October[134] added 'lubricants for machinery' to the list of absolute contraband. Fuel and lubricants were added on 18 November, if consigned to any Turkish port.[135] The Turkish contraband list, published in London on 4 November 1912[136], was roughly in conformity with the Greek list, except that no effort was made to distinguish absolute and conditional contraband.

Britain also disseminated a Turkish undertaking to apply the rules of 1856 to the carriage of neutral cargo in non-contraband items on board enemy merchant ships, and of enemy non-contraband cargo on neutral merchant ships: they 'shall not be captured and confiscated'.[137] This fact is of relevance because soon after the issue of the British Neutrality Proclamation, a 'British Notification respecting the Stoppage, Search, or Seizure of British Merchant Vessels by Belligerents, 31 October 1912'[138] was also issued, in which it was categorically stated that

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[131] 'British Notification of Greek List of Contraband of War, 28 October 1912', State Papers, Vol. 105, pp. 118 – 9 (London Gazette, 29 October).

[132] 'Vessels proceeding to an enemy port, even under a neutral commercial flag, if in their construction, interior arrangements, and in other ways there is evidence they are built for warlike purposes, and are making for an enemy port in order to be sold there or handed over to the enemy'. 'Greek List of Contraband of War, 28 October 1912', ibid..

[133] 'The following will also be considered contraband of war only in cases where they are destined for the enemy's military or naval forces, or for the Turkish Administrations'. 'Greek List of Contraband of War, 28 October 1912', ibid..

[134] 'British Notification of Addition to Greek List of Contraband of War, 29 October 1912', State Papers, Vol. 105, p. 119 (London Gazette, 29 October).

[135] 'British Notification of Further Modifications in the Greek List of Contraband, 18 November 1912', State Papers, Vol. 105, p. 124 (London Gazette, 19 November). The 'British Notification of the Greek Revised List of Conditional Contraband, 4 November 1912', State Papers, Vol. 105, p. 122 (London Gazette, 5 November) had cancelled the list of articles deemed conditional contraband, and listed fuel and lubricants as contraband 'only when destined for Turkish ports beyond the Dardanelles'.

[136] 'British Notification of Detailed Turkish List of Contraband of War, 4 November 1912', State Papers, Vol. 105, pp. 121 – 2 (London Gazette, 5 November). The 'British Notification of Turkish List of Contraband of War, 28 October 1912', State Papers, Vol. 105, p. 117 (London Gazette, 29 October) indicated merely that the list was 'practically identical' to that issued in the 1911 Italo-Turkish war, with the addition of 'pack and draught horses for use in war and beasts of burthen'.

[137] 'British Notification of Publication of Turkish Temporary Law on Maritime Prizes, 28 October 1912', supra note 71, Part I, Article 1. Cf. The Times, 11 October 1912, p. 19 ('Turkish detention of Greek steamers as prize in event of war).

[138] State Papers, Vol. 105, pp. 119 – 20 (London Gazette, 1 November).

> ... (T)he fact that a British merchant vessel has been stopped, visited, or searched at sea by a warship of a belligerent Power is not of itself a matter of which the owner has a right to complain, or which would, unless in exceptional circumstances, justify diplomatic action by His Majesty's Government. ...

Moreover,

> Diplomatic intervention can only properly be invoked [after belligerent seizure of a vessel] if, after the final decision of the Prize Courts has been given, such finding appears to be so contrary to recognised principles of international law as to constitute a denial or failure of justice.

Britain also notified its nationals of the discontinuance of the right of search by Greek warships, which occurred on 2 June 1913.[139] Thus, although the neutral policies of the various European states worked reasonably well in 1912 and 1913, the issue of growing lists of contraband already held the potential to make the agreed rules largely redundant and the continuation of trade impossible. Moreover, it was increasingly in a belligerent's interest to seize all supplies intended for the enemy, and not just contraband. In other words, the seizure of peaceful merchandise on neutral ships, or of neutral goods on enemy ships, was becoming a legitimate war aim once again, despite the prior harmonisation in 1856 of the rules regarding the 'right' of seizure and capture.

6. Industrial Competition and Neutrality

There was another highly strategic angle to neutrality during the Balkan Wars, which concerned the parties to this collective policy of 'localisation' fairly equally: the sale of armaments. In turn, the means with which to purchase new armaments, and war material generally, frequently took the form of huge loans secured from the Western money markets, at extremely high rates of interest. Thus, both the unchecked growth of the twin forces of production and capital, and the deepening economic interdependence of industrialised states, were implicated when the time arrived to control governmentally the economic activities of neutral nationals who conducted 'peaceful' trade with belligerents. It is thus the purpose of this section to explore the effect on neutrality during the Balkan Wars, first, of the armaments race, and secondly, of the loans which were obtained to fuel that race.

6 (a). The Armaments Race

The First Hague Peace Conference in 1899[140] had originally been convened to reach agreement on the limitation of armaments, but on this issue the Conference failed. Thus, in addition to there being little, or no, positive duty on neutral states to prevent private trade in contraband articles between belligerents and neutral nationals, there were no impediments at all in inter-war periods to the fierce industrial competition to sell new war materials. For example, it was well known at the time that prior to World War 1, the Germans were in competition to match Britain in naval strength, a naval race subsequently joined by Russia, despite the fact, as pointed out by Winston Churchill, Britain's First Lord of the Admiralty, that the navy was a necessity for Britain, but a 'luxury' for Germany.[141]

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[139] 'British Notification, 2 June 1913', State Papers, Vol. 106, p. 457 (London Gazette, 3 June).

[140] 'Twenty-six states met in The Hague from 18 May to 29 July 1899. See Roberts/Guelff, supra note 77, p. 36. Trainin notes that between 1815 and 1910, 148 international meetings were held for this purpose, 90 of which were convened in the first decade of the XXth Century. I.P. Trainin, 'Questions of Guerrilla Warfare in the Law of War' [1946] 40 A.J.I.L. 534, 536 n. 2.

[141] M. Gilbert, supra note 57, p. 8. See also S.B. Fay, supra note 7, pp. 349 – 52; Documents No. 47, p. 36; Prince Lichnowsky, supra note 56, pp. 8 - 10. See also 'Mr. Churchill's Programme and the Increase of Taxation', The Economist, 22 November 1913, pp. 1115 – 6.

With specific regard to the Balkan Wars, Glenny remarks[142]

> (T)he Balkan nationalism and militarism expressed in these wars were much more closely related to the practices and morality of Great Power imperialism than to local traditions. The Balkan armies were largely funded by Western loans, Western firms supplied them with weapons and other technology, their officers were schooled and organised by Frenchmen, Germans, Russians and Britons. The armies were staffed, and in the case of Turkey commanded, by Westerners.[143] Representatives of Krupp, Skoda, Schneider-Creusot and Vickers participated in the wars as observers and wrote reports on the effectiveness of their weaponry which were used to advertise the superiority of their products over those of their competitors. ... This was not Balkan warfare – this was Western warfare. ... The Balkans was never the powder-keg but just one of a number of devices which might have acted as detonator. The powder-keg was Europe itself.

In other words, the new war technologies being developed, such as submarines and aircraft, needed testing. Thus, while the various municipal neutrality acts might forbid such private activities during war as foreign enlistment, and the equipping of ships for use by a belligerent in a war, inter-war periods were noted increasingly for the frenzied exchange of military contracts, an anomaly which was difficult to reconcile within the rationale of neutrality – the confinement of war.[144]

As an indication of the amounts which could be spent in a 'localised' war, the total expenditure from the outbreak of war in October 1912 was estimated in mid-July 1913 as follows:

Bulgaria	£90,000,000
Serbia	50,000,000
Greece	25,000,000
Montenegro	800,000
Turkey	80,000,000

These figures represent the approximate total economic loss, to which should be added an estimated expenditure on mobilisation and armaments of £12,000,000 by Rumania. Austria-Hungary, Russia, Germany and France also spent an estimated 20 millions each, due to fears that the balance of power in Europe had been altered by the increased strength of the Balkan States.[145] Thus, speculation that the Balkan Wars could at any moment spill-over into Europe resulted in an early estimate of the cost of a greater European war of £11 million per day.[146]

Of further interest in this context is the reported trial[147] of various German army personnel in Berlin in August 1913, for the offence of having accepted bribes from Krupp agents. The

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[142] M. Glenny, 'Only in the Balkans' [29.4.1999] 21(9) London Review of Books pp. 12, 13 – 14. Cf. Carnegie, p. 9.

[143] See, e.g., S.B. Fay, supra note 7, pp. 498 – 524; The Times, 22 October 1912, p. 5a.

[144] On the use in the First Balkan War of 'dum-dum' bullets, see Carnegie, p. 221 – 4. See also 'The Armament Crisis in Austria', supra note 94; 'Adrianople and our Foreign Policy towards the Balkan States', The Economist, 20 September 1913, pp. 530 – 1.

[145] 'The Financial Outlook and War Requirements', The Economist, 19 July 1913, pp. 102 – 3. See also 'The Public Debts of Turkey and the Balkan States', The Economist, 30 August 1913, pp. 410 – 1.

[146] This figure does not take into account 'the inevitable rise in the cost of all the necessaries of life and the destruction of warlike material, to say nothing of the loss of men'. 'The Cost of a Great War', The Economist, 5 April 1913, p. 825.

[147] See, e.g., [1913] 7 A.J.I.L. 862; The Times, 6 August 1913, pp. 6, 7; 'The Krupp Trial', 'Germany – More Krupp Disclosures', 'Germany – The Krupp Revelations', and 'The Krupp Verdict and Krupp Profits', The Economist, 16 August 1913, pp. 319 – 20, 18

existence of these bribes was revealed in the Reichtstag, prompting calls 'to nationalise the whole armaments industry, at whatever cost, so that it may be possible to eliminate a class interest which signifies a constant danger of war, ...'[148] The inquiry found that Krupp bribes had been offered since 1906 in order to obtain details of armaments bids placed by rival manufacturers. Other issues were narrowed or ignored, to avoid embarrassment to the Government and military establishment, such as the allegation that Krupp agents had placed false reports of impending war in the foreign press in order to generate orders. The sentences handed down varied in severity from six months' imprisonment in a fortress to forty-three days' detention, accompanied either by summary dismissal, reduction in rank, or debarring from holding public office for one year in the case of the Secretary Superintendent of War Ministry.

The speech for the defence urged, however, that the bribes were rather harmless. Not only had the monetary amounts involved been extremely small, but the real attraction had apparently been the association with the name 'Krupp'. Moreover, it was urged, Krupp agents had simply tried to supplement the information already in the company's possession through their work for the War Department. In short, a policy of neutrality during wartime could do nothing to suppress the high stakes underlying the free trade in war material during times of peace.[149] As noted emphatically by another correspondent in September 1913, 'the traffic in armaments must be regulated like the traffic in alcohol or the traffic in opium'.[150] To do otherwise would mean that peacetime was merely time in which to prepare for the next war.

6(b). The Money Markets

The money with which to pursue the armaments build-up was frequently secured from the markets, and huge loans were sought by the Balkan belligerents, and the Great Powers, alike.[151] The anomaly exposed by this financial loophole to neutrality was twofold. First, the official impartiality of neutral third states helped to prevent the spread of a war, but there was little or no positive duty on neutral states in international law to suppress many of the private commercial activities of neutral nationals. The economics of money market loans to belligerents frequently involved not only high rates of interest, but also a condition that the monies be spent within the lending country on domestically-produced armaments. As reported by The Economist in July 1913,

> (T)he plan of lending money to combatants on condition that the greater part of the money is spent on purchasing arms and munitions from particular companies appears to have been developed into a fine art at Paris.[152]

When a war ended, the loan could be floated, and the money recovered. In other words, money could be loaned to fuel wars, and belligerents could be pressured by the banks to end their wars in order to recover the money.[153] Indeed, the reportage just quoted further expressed the hope that new legislation might be brought into existence in Europe which would make such loans a breach of neutrality and a criminal offence. Secondly, the anomaly posed by armaments loans, as noted above, meant that a policy of neutrality

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October 1913, p. 759, 8 November 1913, pp. 1012 – 4, and 22 November 1913, pp. 118 – 9, respectively.

[148] 'The Charges against Krupp – Profit and Patriotism', The Economist, 26 April 1913, pp. 977 – 8.

[149] See, e.g., Letter to the Editor, "Armaments Contracts in the Near East', The Economist, 20 December 1913, p. 1358.

[150] 'Prepare for Peace', The Economist, 6 September 1913, pp. 446 – 7.

[151] See, e.g., 'The Financial Outlook and War Requirements', supra note 145, 'The Armament Crisis in Austria', supra note 94.

[152] 'Slaughter in the Balkans and the Finance of the War', supra note 10.

[153] 'The Future of Serbia', The Economist, 19 July 1913, pp. 111 – 2. See also 'French Bankers and Foreign Loans, The Economist, 11 October 1913, pp. 702 – 3; 'The Armaments Crisis in Austria', supra note 94.

during wartime could do nothing to suppress the free trade in war material during times of peace.[154]

Therefore, the twin issues of new armaments purchases and massive loans were intertwined with powerful commercial interests, and many neutral governments remained hesitant to regulate such transactions on the basis of a policy of neutrality during war. Journal articles and news reports also proliferated regarding the crippling levels of taxation levied to pay for new armaments, the interest rates applied to loans for military equipment, and the prospects for the default of such loans.[155] As reported by The Economist in May 1913[156],

> *London certainly has worked hard to check the progress of hostilities in the Balkans* by refusing to lend money to belligerents, actual or potential. Paris unfortunately took a different view. ... (T)he war in the Balkans has been in one of its aspects a competition between Krupp and Creusot, and the groups of bankers which support those eminent manufacturing concerns. ... The recent liquidation in Paris is clearly due to the huge sums which Paris bankers have been raising to finance the Balkan War ... .

The Economist subsequently reported that 'the Balkan peoples seem to be able to fight without money', yet

> Six Balkan loans are being spoken of here on the Bourse, though no official steps have yet been taken to float any of them. They would be loans to Turkey – the sum mentioned in this case being £28,000,000 – to Greece, Serbia, Bulgaria, Montenegro, and, lastly, Rumania. ... There seems no question of the loans being floated in any other country (than France), or even of any attempt being made to float them elsewhere. But the French Government has supreme control over such flotations ..., and this is a mighty weapon which the Quai d'Orsay can wield in the cause of peace. [157]

7. Conclusions

The basic principles of both the modern laws of war, and the rules of neutrality, were *formulated principally during the XVIIIth and XIXth Centuries, among states which also* shared growing levels of economic interdependence. It is therefore not surprising that the more long-term interests of state survival and co-operation among industrialised states should be reflected in the Hague instruments, and in the Paris and London Declarations. Thus, although the growth of the twin forces of production and capital led simultaneously to developments in arms technology and efforts to codify measures of restraint in the means and methods of warfare, the written and unwritten rules on war and neutrality which resulted applied largely among those 'civilised' capitalist states which possessed a certain degree of parity in (industrialised) armaments. As a result, the advantages of preserving European neutrality during the Balkan states' confrontations with Turkey and each other were clear, and many European states conducted themselves accordingly

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[154] See, e.g., Letter to the Editor, "Armaments Contracts in the Near East', supra note 149.

[155] See, e.g., 'The Balkan Policy and the Peril of Armaments', The Economist, 16 August 1913, pp. 318 – 9; Book Review (The War Traders: An Exposure, G.H. Perris), The Economist, 23 August 1913, p. 384 ('the great body of the war trade is now, in fact, a great financial network'); 'War and Armaments Loans', supra note 51.

[156] 'Overloaned and Overarmed', The Economist , 24 May 1913, pp. 1274 – 5. See also Rev. T.J. Lawrence and M. Carter, 'Neutrality and War Zones', supra note 81; 'The Armstrong and Vickers' Contract with Turkey', The Economist, 6 December 1913, pp. 1227 – 8 (contracts for military and naval equipment negotiated with Turkey, Russia, and Greece).

[157] 'French Bankers and Foreign Loans', supra note 153.

throughout 1912 and 1913. This meant they remained impartial, and co-ordinated their individual neutral policies, in this instance successfully, to 'localise' the conflicts.

However, the unwillingness of many states to hamper unduly the economic activities of their nationals meant that the peaceful commercial relationship which subsisted between belligerent and neutral states during a war resulted in huge profits, and debts. Money market loans could be obtained, the use of which could be conditioned on the purchase of war material from the private sector of the neutral state. Not only were some domestic industries of neutral states thus enhanced, but the high interest rates on repayment meant that many investors could recover their monies twice. On the other hand, the crippling debt burden carried by many states, and the constant fear of default, in the race to maintain a notional parity of armaments was evidence of a fallacious belief that the stability of Europe depended upon a military balance between the Great Powers. Nonetheless, the complete commercial freedom enjoyed by the financial and military establishment provoked calls for the regulation of the armaments industry[158], without which, it was feared, the 'localising' tendency of the rules of neutrality would prove ineffective.

During the Balkan Wars of 1912 and 1913, the imperatives of neutrality and trade had not yet become irreconcilable. Nevertheless, and as has been seen, the rules of state neutrality could do little, in isolation, to restrain the means by which weaponry was developed and purchased. This factor, and the resulting extension of contraband lists meant, in turn, that neutrality would effectively be excluded as a practical option during World War I. The logic of 'total war', would make irrelevant the neutral 'right' to ship goods to one or other belligerent state.[159] Instead, this 'right' would soon be viewed as a violation of state neutrality.[160] Thus, while the Balkan Wars of 1912 and 1913 might appear somewhat of a 'textbook' example of the effectiveness of neutrality in confining war, local and regional factors played a major role in enabling the last successful exercise of 'absolute' neutrality prior to 1945 to occur.[161] The largely rural and mountainous character of the Balkan Peninsula dictated a certain reliance on more traditional forms of warfare. The monies spent by the Balkan belligerents, although constituting large amounts, were not exorbitant by the standards of modern armies. The fact that the wars were fought purportedly for some form of pan-Slav identity made them easier to localise, and thus less dangerous to those European territorial interests which did not involve minorities questions. What European interests were impinged upon were still better served in 1912 and 1913 by the maintenance of neutrality in Europe.

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[158] See supra note 150, and accompanying text.

[159] See, e.g., H. Lauterpacht (ed.), supra note 63, pp. 804 - 8.

[160] J.H.W. Verzijl, supra note 65, p. 86. Cf. 'Rules of the U.S. relative to Merchant Vessels Suspected of Carrying Supplies to Belligerent Warships, 19 September 1914', State Papers, Vol. 108, pp. 852 - 4, 853 ('(t)he duty of preventing an un-neutral act rests entirely upon the neutral State whose territory is being used ...'); H. Lauterpacht (ed.), ibid., pp. 658 - 9

[161] The doctrine of absolute, in preference to qualified, neutrality largely lost force after the sovereign right to go to war was qualified by the League of Nations Covenant, the Kellogg-Briand Pact, and the U.N. Charter. H. Lauterpacht (ed.), ibid., p. 664