Although it was claimed that a private factory must procure the assent of its Government—or, in other words, in spite of the political pressure which even now played a fairly important part in the delivery of war material—the factor of commercial interest was, undoubtedly, of prime importance.

Moreover, no one could deny that, in the event of the abolition of private factories or even of the simple supervision of those factories, and in spite of a Convention limiting the armaments of all countries, the States possessing a war industry would remain in a privileged position as compared with those which possessed no arms and ammunition factories. In the Turkish delegation’s view, therefore, the simple supervision of manufacture was not sufficient to obviate the disastrous effects due to that branch of industry.

Similarly, the abolition of private manufacture, as the only measure calculated to obviate the above-mentioned dangers, would not constitute a measure for the supervision of arms manufacture, but would be tantamount to the control of most of the States by certain other States.

Those were the reasons why the Turkish delegation regarded internationalisation as the best and most effective means of achieving real supervision of the source of armaments, supervision in which all States would participate on a footing of equality. All the arguments in favour of the internationalisation of civil aviation applied, with all their consequences and with even greater cogency, to the internationalisation of armaments manufacture.

International supervision—as a common task automatically carried out for and by each State—was especially necessary in the question of manufacture, as to internationalise armament factories was at the same time to enforce respect for the Disarmament Convention, to prevent all possibility of secret preparations for war and, last but not least, to increase mutual confidence between States on a question fraught with such serious consequences for the peace of the world.

The Turkish delegation therefore asked that the private manufacture of arms and ammunition should be abolished and that, as an indispensable and immediate corollary to such measures, State manufacture should, at the same time, be internationalised. It was categorically opposed to abolishing private factories unless State manufacture were internationalised.

If the application of the principle of abolition and internationalisation should meet with difficulties or delays during the present phase of the Conference’s work and the first stage of disarmament, the Turkish delegation could, while reserving its proposal for a later stage, concur in any measure designed to regulate and supervise private manufacture and State manufacture, on condition that all the States participated in such supervision on a footing of perfect equality.

Count Raczynski (Poland) said that his delegation entirely shared the French delegate’s preoccupations, and also, to a very large extent, his views regarding the action to be taken to remedy drawbacks with which everyone was familiar.

The present debate could be considered as one of the most important which had ever taken place at Geneva. This was the first time that the General Commission had approached the problem of the manufacture of and trade in arms—a subject the gravity of which could not be overestimated and which had been studied at length by various technical committees and even by an international conference held at Geneva in 1925.

The Disarmament Conference had entrusted the preparatory work on this question to a technical committee, the Committee on the Manufacture of and Trade in Arms. For many months, this Committee had striven to arrive at an agreement. It had no doubt done very valuable work in clearing the ground, but, in spite of all its efforts, it had not succeeded in arriving at unanimous conclusions. Finding itself brought to a standstill, it had appealed to the General Commission. It was now for the latter to take the responsibility of a decision and to inform the Committee of its views.

In these circumstances, Count Raczynski thought it his duty to state quite clearly his delegation’s opinion. This was not a difficult task, for the Polish Government’s attitude on this subject had never varied and could be clearly summarised in a few words. Poland was in favour of as strict a regulation as possible of the private and State manufacture of and trade in arms. She was ready to accept any measure, however radical, which might be agreed upon by all the Powers represented at the Conference. The Polish delegation had given proof that it was perfectly frank in adopting this attitude, for its representative on the Committee had from the outset taken his place by the side of the delegations which were prepared to go a long way towards regulation.

There could be no question of a Disarmament Convention which did not contain a special chapter on the manufacture of and trade in arms. How could armaments be limited unless account were taken of their twofold source—manufacture and imports? It would be a singular fallacy to endeavour to stop competition in armaments while leaving States completely free to produce and purchase war material. The supervision which the Permanent Commission would have to exercise over armaments would be entirely unavailing if that Commission were not empowered to supervise the creation of new stocks—i.e., manufacture and trade. It must therefore be realised that the present debate touched upon one of the essential points of the future Convention.

The Polish delegate was glad to observe that the need for regulating the trade in and manufacture of arms had been recognised by Sir John Simon, who, in reply to his question,
had explained to the General Commission that the United Kingdom draft was to be completed by suitable provisions on this point. This unintentional omission from the United Kingdom draft had been made good by the French proposals. The Polish delegation approved the principles on which these amendments were based, particularly as the same principles had guided that delegation in drafting the various proposals it had submitted to the Committee on the Manufacture of and Trade in Arms. These proposals figured either in the report of the Sub-Committee on Trade or in that of the Sub-Committee on Manufacture. It was therefore unnecessary to recall their terms, but, on the other hand, Count Raczynski thought it would be well to indicate the general outlines of the solution which his delegation would like to see adopted by the General Commission.

The 1925 Convention on the Trade in Arms and the 1929 draft Convention on the Manufacture of Arms no longer answered to present-day requirements. These two texts should therefore be revised and redrafted so as to render regulation and supervision possible and effective. The essential steps to be taken in the sphere of the manufacture of arms were the abolition of private manufacture and the nationalisation of private undertakings. This would be the only means of putting an end to the harmful effects of private manufacture, on which it was unnecessary to lay stress as they were notorious and had, moreover, been fully described in one of the reports of the Committee on Manufacture. The centralisation of the production of war material by the State would also make it possible to achieve more easily that standardisation of armaments which everyone recognised to be necessary, for this would make it possible, not only to compare the armaments of different countries in an equitable manner, but also to prevent the danger of qualitative competition in armaments. This question of the standardisation of material had been brought before the Conference in a Polish proposal dated March 7th, 1933. The realisation of that proposal would be much easier if the manufacture of arms were the exclusive prerogative of the State.

Another essential measure constituting the touchstone of any regulation of the manufacture of arms was the adoption of quotas for the manufacture and imports of each State. These quotas should be determined by the Disarmament Convention on the basis of the effective allotments to each State and of the genuine requirements of national defence. The adoption of quotas for manufacture and imports would be the most effective means of controlling future armaments, which would be subject to international supervision from the outset—that was to say, from the moment they left the factory and entered the national territory. The Permanent Commission could then exercise supervisory measures by comparing the production and imports of each State with the figures and quotas allotted to that State by the Disarmament Convention. If, on the other hand, the adoption of quotas—that is, the limitation of manufacture and trade—were not accepted, over what could the Commission exercise its supervision? Such supervision would then become without object. Manufacture and trade should, in addition, be subject to a system of licences, standardised according to a uniform international model and issued individually for each order, copies being communicated immediately to the Permanent Commission. No export or manufacture should be undertaken until after a certain interval following the date on which the Commission received a copy of the licence. During this period, the Commission might take supervisory measures if it so wished. Should the Commission demand the cancellation of the licence because the latter was not in conformity with the provisions of the Disarmament Convention, the manufacture or export could not take place.

The present discussion directly affected an important problem which had been under consideration for a long time past, namely, the reciprocal relation between military and civil aviation. The Polish delegate agreed that the manufacture of and trade in military aircraft should be subject to the same system of supervision as other arms, but on condition that the manufacture of civil aircraft should also be regulated. He would find any other solution difficult to accept, in view of the ease with which a civil aeroplane could be transformed into a bombing aeroplane. In this connection, he would be in favour of the nationalisation of the manufacture of civil aircraft, but he would be prepared, if necessary, to accept the regulation of civil production, which would, moreover, be entirely in keeping with the ideas on which Annex II of Section II, Chapter 3, of the United Kingdom draft had been based.

He did not know what would be the General Commission's opinion on all these questions, but he recalled that a minimum had already been accepted by the Bureau in its resolution of November 22nd, 1932. It had there been stated, among other things, that the general provisions on supervision would also apply to the manufacture and trade in arms. Count Raczynski wished to ask the delegations which had voted for this resolution and which had then in the Committee refused to entertain the possibility of a special procedure for supervision in the sphere of manufacture and trade, how they thought it would be possible to apply the general provisions to this special case without any adjustment? Personally, he thought it impossible, and that to his mind proved the utility of the special regulations adapted to the particular requirements of the problem. He had no doubt that the other members of the Commission would give this question the same serious consideration, which would make it possible to arrive at the practical conclusions which alone would serve as guidance for the Committee on Manufacture and Trade in its work. The Commission must not show a lack of perseverance and even of audacity in a question which directly concerned the technical preparation of war.

1 See Minutes of the forty-fourth meeting of the General Commission, page 349.
2 See Minutes of the thirty-first meeting of the Bureau, page 107.
M. de Madariaga (Spain) agreed with M. Jouhaux that the question under discussion was a very old one. There had been very few problems that had been more tossed about like a tennis ball, to use the simile employed by the United Kingdom delegate some time ago. The Polish delegate had just said that the Committee had done very valuable work by clearing the ground. The clearing of the ground had gone on for almost fourteen years and the building had not yet begun to take shape.

The question, however, was an extremely serious one. It occupied the central position in the Conference's work, so much so that, if he might repeat what he had said in the Bureau when the problem was taken up in that body for the first time, M. de Madariaga would say that for the future of the world it was far more important to have a very strict and very serious Convention on the control of private and State manufacture of and trade in arms than a Convention on disarmament. That statement might seem bold and paradoxical, but it was easy to prove.

Leaving aside the legal argument that all the Members of the League were under an undertaking to obviate the " evil effects " attendant upon the private manufacture of arms, M. de Madariaga would point out that armaments being raw material of war, it was impossible to wage war if armaments were very strictly controlled. Again, from the international point of view, it was a matter of comparatively small importance that the State should possess large armaments if they had no munitions with which to make use of them. A distinction must be made in this connection between what might be called "living" armaments and "dead" armaments. It did not matter much if the nations kept their heavy "dead" armaments, provided there was a very strict supervision of the manufacture of and trade in arms such as would prevent their possessing living armaments, that was to say, munitions of war. Accordingly, in the opinion of the Spanish delegation, which had constantly expressed this view since February 1932, the problem of the manufacture of arms was the crucial and fundamental problem for the Conference.

Much emphasis had been laid on the necessity for abolishing the private manufacture of arms and neither M. de Madariaga nor his Government had any objection to that opinion. The objections to private arms manufacture were self-evident and the fact had been demonstrated so often that he would refrain from repeating arguments with which everyone was entirely familiar. In connection, however, with M. Jouhaux' reference to public opinion, M. de Madariaga would remind the Conference that it had before it certain resolutions from an élite section of public opinion, one which was perhaps better qualified than any other to make its voice heard in any matter of disarmament. He was thinking of the ex-servicemen and war victims who, during their meeting at Geneva, had handed the President certain resolutions, one of which had been signed by the ex-servicemen of Austria, Belgium, the United Kingdom, Bulgaria, Czechoslovakia, Denmark, Finland, France, Germany, Poland, Portugal, Roumania, Yugoslavia, the Free City of Danzig and the Territory of Memel. The resolution said that "material disarmament should be substantial, simultaneous and progressive" and "it should include the suppression of private manufacture of and private traffic in arms, together with effective mutual international control." 1

He quoted this resolution to make it quite clear that, from what he was about to say, no argument could be deduced against the total abolition of private manufacture and that his Government would be glad to see that solution adopted.

Having said that, however, he was constrained to affirm, in order to be completely honest, that the most urgent task was not the abolition of the private manufacture of arms and munitions. There were certain formidable obstacles to that proposal and it would perhaps be good policy not to attack frontally obstacles of that kind, especially when it was possible to prove that it was not absolutely essential to overcome them in order to achieve the immediate aims in view. The abolition of private manufacture was not for the present Conference an immediate aim nor one of value in itself. The essential thing was an extremely strict control of all arms manufacture of whatever kind, whether private or State. Indeed, the Spanish delegation, which took an objective view of the interests of peace, held that it would be far better to have an extremely close supervision of private and State manufacture than total abolition of private manufacture and an inadequately controlled State manufacture. It was for that reason that it regretted that the Committee entrusted with these matters, attracted perhaps by the abstract interest of such problems, had wasted too much time upon the analysis of somewhat theoretical hypotheses, such as abolition or internationalisation, instead of following literally and persistently the aims proposed and the mandate it had received from the General Commission—namely, to regulate the control and manufacture of arms and munitions.

Even at the present time, when every effort was being made to secure speedy success for the Conference, it was possible, and, indeed, indispensable, to introduce into the Convention a chapter on what might be known as "the international regime of arms and munitions".

Side by side with the French delegation's amendments—which, subject to certain points of detail, could be accepted by the Spanish delegation in principle—the latter delegation had other suggestions to put before the President of the Conference.

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1 See Minutes of the forty-sixth meeting of the General Commission, page 360.
In the first place, it felt it was necessary to place on record and to affirm in the Convention that everything connected with the manufacture of and trade in arms was a responsibility upon the State. True, arms that, in any country, were manufactured, exported or imported, could be manufactured, exported or imported by private agents, but that was done upon the responsibility of the country concerned, which bore the sole responsibility, vis-à-vis international opinion and the international organisations, for everything connected with armaments. That was the principle which should be adopted. The many arguments that for a year and even more had been used for the game of tennis that had been played with this question could not be advanced in the present discussion. The problem was perfectly clear. Each State must, as such, be responsible for everything connected with the manufacture, importation and exportation of arms on its territory and outside its territory.

In submitting such a suggestion to the Conference, M. de Madariaga did not think that he was proposing anything revolutionary. It was an open secret that nothing was done in regard to armaments, either by official or private persons, without some part being played by the State. All States exercised a more or less direct and a more or less indirect control over everything done in this matter and, for his part, M. de Madariaga did not know of a single State which had remained indifferent or blind to the trade in arms exported from its territory to other countries, whether they were destroyers or submarines or heavy guns or even machine-guns. After fourteen years of the League’s existence and after sixteen months and more of discussion on disarmament, the Conference could not refuse its unqualified assent to this principle of the responsibility of States, which was perfectly manifest.

Secondly, an international licensing system was necessary. A licence for all arms manufactured, one for all exports, one for all imports and one for all consignments in transit, so that if an arm had evaded inspection during manufacture it could be detected upon export or, if that failed, upon import, or, again, when in transit. There would thus be a fourfold supervision. This supervision must be exercised by an international organisation at Geneva, where it would be centralised for two reasons. In the first place, because the supervision of the trade in and manufacture of arms was indispensable to the maintenance of confidence between States and to the avoidance of suspicions which would be almost certain to revive from time to time in connection with the question whether one State or another was more heavily armed than it should be. Secondly, supervision must be centralised at Geneva in order that, in the event of there being a breach of the Pact, whether avowed, or concealed, or connived at, it would be possible to control, from the point of view of the international organisations, everything that went on in regard to trade in and manufacture of arms.

There was nothing revolutionary about this system either. It was already in existence as regarded narcotic drugs, thanks to the perseverance of the United States Government and public opinion in that country. It was precisely because there was a very marked analogy between the question of narcotics and that of arms that the Spanish Government had suggested a study of the question whether and to what point it was possible to apply to arms the experience acquired in regard to the international control of the manufacture of and traffic in drugs by the League.

The Secretariat had drawn up on this matter a very clear report, and it was a matter for regret that it had only resulted in a reference amounting to a paragraph of four and a half lines in the bulky report submitted by the Committee on the Trade in and Manufacture of Arms. M. de Madariaga would read a few of the conclusions in the Secretariat’s report.1

“If the Convention for the Limitation and Reduction of Armaments includes a quantitative limitation of all or part of such arms as are not to be prohibited, and if it is desired to have recourse to regulation of the manufacture of and trade in arms as a direct means of ensuring the observance of such limitation, it would seem that the general system of control set up by the 1931 Convention in the case of drugs might well serve as a guide.

“The system, the main lines of which have been thus adumbrated, involves three essential stages in the matter of international control—namely:

“(1) Estimate of licit requirements, so as to determine the world quantum of licit manufacture for the coming year;

“(2) Supervision of the programme of licit manufacture and trade in course of execution;

“(3) Retrospective control of manufacture and trade during the past year and measures to be taken in the event of any breaches of the regulations found to have occurred.”

With regard to point 1, as the Conference’s aim was to establish an international system of peace and not one of war, it must lay down the annual quantum of arms for each State. By way of general conclusion the report stated:

“All measures of publicity, the object of which is to make known the whole movement of the manufacture of and trade in arms, might well (it would seem) be reproduced from the Conventions relating to drugs.”

That finding was perfectly clear; adaptation was feasible.

1 Analogies between the problem of the traffic in narcotic drugs and the trade in and manufacture of arms (document Conf.D.159).
It would be seen that the problem had been studied and solved. There was no reason why the Commission should continue to waste its time and to read voluminous reports. The only thing remaining to be done was to draft some comparatively short texts, sign them, ratify them and inaugurate the system.

Arms would of course have to be classified. Under the heading of arms the manufacture of which would be prohibited would come all arms abolished by the Convention. Under another heading would fall arms subjected to the international system of supervision described above. But the whole system would have to be based, above all, on the idea that there must be a book-keeping system for arms. Geneva must know how many arms and how much ammunition there was in each country.

It was true that the difficulty of the problem of stocks was advanced as an argument. But that was no problem at all. It would only be so for a certain number—a relatively short number—of years. It had been said that there were certain arms, for example rifles, which might remain, so to speak, on the active list for tens of years. In M. de Madariaga's view, that was only of very minor importance. The fundamental point, as he had said, was ammunition, since only with ammunition could dead armaments become living armaments. Ammunition did not keep. It could no longer be utilised after a few years. Consequently, here again arguments that were not tenable, if the desire to take action existed, must be put on one side. It was possible to act; it was possible to have a book-keeping system for stocks, one that would become effective at the end of five, or ten years at the most, when stocks that were to-day secret—supposing they remained secret—would become unutilisable. In this way, when an exact supervision had been instituted over manufacture, imports, exports and transit, future stocks would also be exactly controlled.

Those were the ideas which the Spanish delegation wished to put forward with regard to the substance of the problem. It considered them fundamental. It thought that the Convention should, beyond all possible question, contain a chapter embodying them. With this aim in view, it proposed, by way of procedure, not to refer the matter back to the Committee on Trade and Manufacture, but another method—namely, that the question should be dealt with like all the others still on the agenda, by way of negotiations under the direction of the President, who would get into touch with the delegations having the most definite positive or negative ideas on the subject. On the basis of these negotiations and in view of the unparalleled importance of this matter, it would be possible, between the first and second readings, to arrive at an acceptable text, to be included, as M. de Madariaga was convinced it would, in the text of the Convention.

Mr. Norman DAVIS (United States of America) said that the question of the abolition of private manufacture of arms and implements of war raised most difficult questions of a political and social nature. Those who advocated the abolition of private manufacture did so for reasons with which he had great sympathy. There was indeed something repugnant in the thought that citizens of the respective countries should continue to make profits in the production of weapons designed to create human suffering. It was repugnant that a situation should exist in which there were persons to whose financial interest it was to oppose mutual understanding, to oppose measures for the reduction of armaments and even to foment misunderstandings and to sow the seeds of discord. This thought was closely allied to that which made it repugnant to public opinion that profits of any kind should be made out of sufferings inflicted on others and convinced it that, in the unhappy event of a war, measures should be taken whereby the production of all materials used in the conflict should be so supervised that excessive profits were not made from them.

As he had said, the question raised grave problems as to the political and social structure of the different States. An examination, however, of the situation which would be brought about by the abolition of private manufacture, he believed, that the alternatives might present even greater dangers and inconveniences. There could be no doubt that an immediate result of the abolition of the private manufacture of implements of war would be to constrain every State to establish public arsenals of sufficient extent, not only to make its peace-time production of munitions, but to supply its needs in time of war. To those nations like the United States of America which relied only to a small extent on State-owned arsenals, the cost of investment and upkeep would be tremendous. To States which had no private manufacture and no great industrial resources, the cost of such establishment of arsenals would be proportionately greater. Clearly, the present was not a period in the world's history in which it would be possible to take a measure which would encourage enormous expenditure on the part of the vast majority of the States of the world for productive, or, rather, for destructive, purposes. That this hypothesis was entirely tenable was proved by the fact that the mere beginning of the discussion of the limitation of private manufacture by the League of Nations had induced one State at least immediately to establish arsenals and plants for naval construction.

A further question of cost entered into the problem. In the United States certainly, and in many other countries, he believed, munitions were manufactured by private industry, not by any means as the exclusive product of their industrial plants, but, so to speak, as by-products,
the plants being operated for other and peaceful purposes for a large proportion of their production. If it were necessary to rely on State-owned arsenals alone, huge plants would have to be erected which would serve only for munitions and which would by that very fact enormously increase to every State the cost of such munitions.

As for the political factor involved, those States without the financial resources to build large arsenals and without the industrial resources to convert already established plants, in time of war, to munition purposes would either be constrained to rely upon the goodwill of neighbouring States to furnish them with supplies in case of war, or would be obliged to store this material and would thus be politically dependent upon better equipped States among their neighbours. Thus the industrial and well-equipped States would have a dangerous stranglehold on their neighbours.

Accordingly, Mr. Norman Davis feared, and he regretted that the situation was such as to cause such apprehension, that the dangers and disadvantages of the abolition of the private manufacture of arms were greater than those inherent in the present situation. But the present situation itself should not be left as it was at present. Without entering into details for the time being, he earnestly hoped that the trade and manufacture of arms, both public and private, might be so controlled and so circumscribed as to reduce materially the production of arms. If this could be brought about, and he believed that with goodwill the way could be found to bring it about, it would not be to the advantage of private producers to depend heavily upon arms production. The economic factor would weigh heavily in favour of the curtailing of the means of production of munitions, and this in itself would constitute a long step towards the elimination of the real evils of private manufacture of arms and munitions.

Mr. Norman Davis firmly believed that, given reasonable means of supervision, coupled with a material lowering of the present level of armaments, there would come about a marked lessening of the demand for armaments. A marked decline in the demand for armaments would promptly react upon the means of supply of those armaments, and private manufacture would correspondingly decline. The most effective step towards the ultimate abolition of private manufacture was an immediate agreement to lower materially the present level of armaments. After all, it would seem to be just as practicable and just as efficacious to curb the most flagrant evils of the private manufacture of arms and to impose reasonable control thereon as it would be in the case of State manufacture of and trade in arms.

M. de Madariaga had made a profound analysis of the question, and Mr. Norman Davis was in substantial agreement with his views. It was important to have supervision over both public and private manufacture of arms; but one of the points which caused Mr. Norman Davis special concern was that it might perhaps be found more difficult to establish control over public manufacture than over private manufacture.

M. Jouhaux had emphasised the deep interest taken by public opinion in the necessity for dealing with the problem of the manufacture of arms. Mr. Norman Davis entirely agreed with that statement. He was constrained, however, to add that public opinion was much more interested in the reduction of armaments than in the mere control of the trade in arms, and he was satisfied that, if the Conference could agree upon a substantial reduction and limitation of armaments, and establish effective control and supervision whereby there would be publicity and a system of licensing for the manufacture and export of arms, it would automatically find a solution for the problem of the private manufacture of arms.

Colonel Riazi (Persia), speaking as representative of a non-producing country, supported on behalf of his delegation the Turkish proposal and believed, as the Persian delegate had stated in the Committee, that the abolition of private manufacture could not be brought about in the interest of all countries without an understanding between the producing Powers as to the internationalisation of both private and State factories.

The continuation of the discussion was adjourned to the next meeting.

SEVENTY-FIFTH MEETING

Held on Wednesday, June 7th, 1933, at 10.30 a.m.

President: The Right Honourable A. Henderson.

137. Progress Report of the Committee for the Regulation of the Trade in and the Private and State Manufacture of Arms and Implements of War 1: General Discussion (continuation).

M. Westman (Sweden) said M. Komarnicki's voluminous report, in which the various opinions which had come to light during the meetings of the Special Committee were set out at length, again proved, if proof were needed, how complicated and far-reaching were the problems connected with the trade in and manufacture of arms and ammunition. After

reading this summary of conflicting opinions there was reason to wonder, not without some uneasiness, whether it would be possible to reach appreciable positive results in regard to these problems during the first stage of disarmament for which the Conference was preparing the way.

The discussion which had taken place at the previous meeting of the General Commission had been of a rather more encouraging nature. Various speakers had stressed the desirability and indeed necessity of not ignoring, even in the first Disarmament Convention, the questions relative to trade in arms and manufacture of arms. M. Westman entirely shared this view, and he recalled that, when these same problems had been discussed by the Bureau last November, Mr. Eden had clearly expressed the very same opinion. The Conference, he said, would not have fully completed its work until it had reached a satisfactory solution for the regulation of the trade in and private and State manufacture of arms. By these words, had not Mr. Eden laid down a principle by which the Commission might and should be guided in its present deliberations?

But what was the exact formula which would make it possible, in the face of so many conflicting opinions, to reach the necessary agreement to permit of the insertion of explicit positive rules in the text of the Convention? On the previous day, M. de Madariaga had shown, by a veritable tour de force, that the present difficulties were non-existent. In order to resolve the problems of the regulation of trade in and manufacture of arms, it was only necessary to follow the principles and the system adopted with regard to the drug traffic. M. Westman hoped that events would not prove this magnificent optimism to be unfounded. In any case, Mr. Norman Davis, the United States delegate, had not turned a deaf ear to M. de Madariaga’s appeal, and that was a good omen.

However that might be, M. Westman would be very happy to comply with the request, which the Rapporteur had addressed more particularly to those delegations which had not taken part in the work of the Special Committee, that they should indicate their points of view and preferences.

He recalled that, as early as the previous November, the Swedish Government had informed the Bureau that Sweden—where the trade in arms was already subject to a strict export-licence system—was prepared to collaborate most actively in any efforts which might be made with a view to instituting on an international basis an efficient system for the supervision of war industries. The Swedish Government had not, however, confined itself to that general statement. For some time past a Committee of Experts, specially appointed for the purpose by the Swedish Government, had been instructed to examine to what extent and by what means it would be possible to subject private production to the restrictions which, from the standpoint of supervision, were desirable. In this connection the experts had been instructed to give special attention to the possibility of establishing a State monopoly and to the form which such a monopoly might assume.

That proved that the Swedish Government was in favour of very far-reaching measures in the matter of the international limitation and supervision of the trade in and manufacture of arms, that it did not agree that the possible effects of such measures upon private interests could be regarded as a decisive argument against the adoption of the measures required by a logically applied peace policy, and, lastly, that, in so far as its own country was concerned, it was even now engaged in preparing the ground with a view to the immediate application of any decisions to which the discussions of the Disarmament Conference might lead with regard to the international limitation and supervision of the trade in and manufacture of arms.

Mr. Riddell (Canada) took the opportunity to thank the Committee for the Regulation of the Trade in and the Private and State Manufacture of Arms and Implements of War for its progress report, which had so clearly placed before the General Commission the different aspects of the problem under consideration.

It was no exaggeration to say that, since the inception of the League of Nations, no question in the whole field of disarmament had received more continuous attention than the private manufacture of arms. This was due in a large measure to the very common belief that the private manufacture of arms was a menacing source of international intrigue, threatening the peace of the world. The records of the various committees of the League dealing with the subject showed that the solution of the problem was not easy. The difficulties had been at least partly due to the fact that the States concerned fell into three categories, each with differing interests. In the first place, there were the countries where the manufacture of arms was largely in the hands of the State; in the second place, there were the countries where the manufacture of arms was mostly carried on through the private manufacturer; in the third place, there were the countries which imported their armaments from the two former groups of States.

The Canadian delegation had always considered that, so long as private manufacture was retained, similar regulation was necessary for the three groups of countries, and especially for the first two groups, if a satisfactory agreement was to be reached.

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1 See Minutes of the thirtieth meeting of the Bureau, page 102.
2 See Minutes of the thirtieth meeting of the Bureau, page 100.
A great obstacle to progress had been removed when certain countries with State manufacture accepted the principle that similar regulation regarding publicity should be applied to both State and private manufacture.

With regard to the first question submitted to the Commission—"Ought the private manufacture of arms to be abolished?"—Mr. Riddell observed that the Canadian delegation was not a member of the Committee that had recently been studying the matter, but he was pleased to inform the General Commission that it was the conviction of the Government of Canada that, in order to remove one of the dangerous factors in international relations—namely, private gain from the manufacture of and trade in arms—the manufacture of arms should eventually be restricted to State-owned establishments. At the same time the Canadian Government fully realised that it would be necessary to accept a certain delay in the application of that principle, in order to give the States at present depending on private manufacture time to make the necessary adjustments.

With regard to the second question—"Ought the manufacture of arms to be internationalised?"—the Government of Canada regarded the internationalisation of the manufacture of arms as wholly impracticable, and the Canadian delegation would therefore have to vote against such a proposal.

To return to question I, certain provisional measures would seem to be necessary for regulating the trade in and manufacture of arms in the interval preceding the complete abolition of the private manufacture of arms. Those measures should deal as fairly with the countries depending on private manufacture as with the countries depending on State manufacture. This, in the opinion of the Canadian delegation, implied similar regulations governing manufacture in both groups of countries.

Most of those present were familiar with the very suggestive document prepared by the Secretariat, to which reference had already been made, showing the analogies between the problem of the traffic in narcotic drugs and that of the trade in and manufacture of arms, and covering such questions as publicity, restrictions on transit, and supervision. The Conference for the limitation of the manufacture of narcotic drugs, 1931, at which Mr. Riddell had been one of the representatives of his country, had had a task somewhat similar to the one with which the General Commission was at present confronted. Irrespective of whether it was under State or private control, the Conference set out to limit the manufacture of narcotic drugs to the world's needs.

Once a limit had been fixed, in the draft Disarmament Convention, to the quantities of munitions and armaments which a country might possess, there would seem to be no insuperable difficulty in the way of applying certain of the principles laid down in the 1931 Narcotic Drugs Convention to the trade in and manufacture of arms and munitions. The proposal to apply these principles to that problem, which had already received support from the Spanish and United States delegations, should, in the opinion of the Canadian delegation, be thoroughly explored, with the least possible delay.

M. NADOLNY (Germany) said that the German delegation fully shared the Committee's opinion that the solution of the problems with which it was dealing depended upon the decisions taken with regard to the principal questions raised by the United Kingdom plan, and that, once these issues had been settled, there would be no further difficulty in laying down special provisions for the regulation of the trade in and manufacture of arms. The features of the United Kingdom plan in regard to which a decision would be first required related, in the first instance, to material, the inclusion of stocks, and more especially to the questions of publicity and quantitative limitation. The German delegation therefore considered that the regulation of the trade in and manufacture of arms was complementary to the provisions regarding disarmament and not a prerequisite condition.

The Committee had submitted two specific questions to the General Commission for decision—viz., the abolition of private manufacture and internationalisation. The German delegation could not consent to the abolition of private undertakings. In this connection it referred to the conclusive objections which the majority of the Committee had raised against any such measure. M. Nadolny considered that there was no need for him to go into details. He would nevertheless like to point out, as Mr. Norman Davis had done at the previous meeting, that the result of the abolition of private manufacture would be that many countries which did not at present possess Government arms factories would be led to set up such establishments; this would result in a rapid increase in the number of Government arms undertakings throughout the world, a result which would be deplored by all true friends of disarmament.

In this connection, M. Nadolny reminded the Commission that Germany had been forbidden to possess a State arms industry except for certain naval purposes, and that now an attempt was being made to prohibit private manufacture also. At the same time, M. Nadolny naturally understood that, in view of the criticisms, whether founded or unfounded, which had been levelled against such industries, States with an extensive private arms industry should desire that the Convention should provide for supervision of such undertakings to at least the same extent as had been the use in Germany for the last fourteen years. The German delegation had no objection to the regulation of the trade in and manufacture of arms. As,

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1 Document Conf.D.159.
In order to prevent those evil effects, it would be sufficient for each Government to show the duty of the modern State to do so. For the peace, it would certainly be the duty of those countries to take the necessary measures, even in the absence of an international agreement. It was the duty of the modern State to do so. The abolition of the private manufacture of arms would entail certain disadvantages, and even dangers, for countries in which private manufacture was important vis-a-vis State manufacture and for the countries which imported arms vis-a-vis those which exported them, inasmuch as the former would be placed at the mercy of the latter. Nor would the application of the system of internationalising the manufacture of arms vis-a-vis those which exported them, inasmuch as the former would be placed at the mercy of the latter. Nor would the application of the system of internationalising the manufacture of arms be practicable, and it would offend against equity in the present state of the world. If, in certain countries which possessed scarcely any effective regulation of the trade in and manufacture of arms, individuals were discovered engaging in activities prejudicial to the world, the necessary effective measures appropriate to its own country, it would not be difficult to abolish or prevent possible evil effects. He was sincerely of the opinion that the abolition of private manufacture of arms was an essential and decisive problem.

The German delegation would accept any system for the regulation of the manufacture of and trade in arms, provided that such regulation were calculated to promote disarmament, and provided also that it was feasible and resulted in equality of rights for all countries. It considered such regulation as complementary to the provisions relative to effective disarmament, which in its eyes still represented the essential and decisive problem.

M. Nadolny had been keenly interested in the remarks made by the Turkish delegate on the previous day with regard to the internationalisation of the trade in and manufacture of arms. He had felt bound to remark that no definite proposals had as yet been made in that connection. He therefore felt it unnecessary to go into the matter in greater detail. Turning to the French proposal to add to Part II, Section II, of the United Kingdom plan a fourth chapter dealing with the limitation and supervision of the trade in and manufacture of arms, M. Nadolny observed that the proposal provided for the introduction of a quota system corresponding to the degree of quantitative limitation provided for in the United Kingdom plan. As that problem had not yet been finally solved, M. Nadolny considered it impossible to come to any decision with regard to the French proposal until the question of principle raised by the United Kingdom plan had been cleared up. Moreover, if it were decided to accept a quota system, stocks would also have to be taken into account. In this connection, M. Nadolny wondered whether it might not be necessary to stipulate that no country possessing extensive stocks should be allowed to avail itself of its quota until such stocks had been drawn upon.

The second part of the French proposal dealt with the arms supplies of the States of continental Europe, whether such supplies were forthcoming within the country itself or whether they were obtained from abroad. The German delegation considered that, in regard to this part of the French proposal also, no decision could be taken until the provisions relating to effective arms material had been finally laid down. When the time came, the German delegation would be perfectly willing to consider whether the method proposed by the French delegation was practicable or not. It assumed that such a discussion would be possible in the course of the second reading, as it expected that by then the questions by which this problem was governed would have been settled. M. Nadolny could not, however, conceal his doubts as to the possibility of applying the method in question.

In short, the German delegation would accept any system for the regulation of the manufacture of and trade in arms, provided that such regulation were calculated to promote disarmament, and provided also that it was feasible and resulted in equality of rights for all countries. It considered such regulation as complementary to the provisions relative to effective disarmament, which in its eyes still represented the essential and decisive problem.

M. Sato (Japan) said that he desired, above all, to express his deep gratitude to the members of the Committee for the Regulation of the Trade in and Manufacture of Arms and Implements of War, and to its Bureau (and, more especially, to the Chairman and Rapporteur), who had worked indefatigably for eight months on these extremely complicated questions and submitted such a very instructive progress report. The Committee had drawn up a preliminary report, owing to the impossibility of giving a final opinion so long as the Conference had not taken a decision with regard to certain principles. It was evident, however, that, in spite of its preliminary character, the report in question could serve as a basis for the work of the General Commission on this matter. The report had cleared up the difficulties which the Committee had encountered during its discussions and indicated the task before the General Commission and the responsibilities which rested upon it, thus furnishing very valuable material for subsequent discussions.

In his opinion, the solution of these complicated problems was to be found, in the last resort, in the regulation and effective supervision of the manufacture of and trade in arms and implements of war, in order to prevent the evil effects attendant upon such manufacture. As regarded private manufacture, moreover, the main object in view had already been clearly stated in Article 8 of the Covenant of the League. The Japanese Government had, in its own experience, never encountered such evil effects, as, in Japan, detailed and complete regulations on the manufacture of and trade in arms or implements of war were issued years ago and had been rigorously observed. He was therefore convinced that, if each Government took the necessary effective measures appropriate to its own country, it would not be difficult to abolish or prevent possible evil effects. He was sincerely of the opinion that the abolition of private manufacture or the internationalisation of the manufacture of arms was not one of the essential measures for preventing those evil effects. The abolition of the private manufacture of arms would give rise to certain disadvantages, and even dangers, for countries in which private manufacture was important vis-a-vis State manufacture and for the countries which imported arms vis-a-vis those which exported them, inasmuch as the former would be placed at the mercy of the latter. Nor would the application of the system of internationalising the manufacture of arms be practicable, and it would offend against equity in the present state of the world.

If, in certain countries which possessed scarcely any effective regulation of the trade in and manufacture of arms, individuals were discovered engaging in activities prejudicial to peace, it would certainly be the duty of those countries to take the necessary measures, even in the absence of an international agreement. It was the duty of the modern State to do so. In order to prevent those evil effects, it would be sufficient for each Government to show...
goodwill, and for effective national supervision to be introduced by means of licences, such supervision to be supplemented by an international undertaking for co-ordinating the efforts of each Government with an appropriate system of publicity. In order to do that, it would not be necessary to apply a strict and tiresome system of international supervision which would hamper the activities, liberty and good relations of the nations.

It must not be forgotten that each country had an organisation of its own and a different military, political, economic and social system. Thus, in order to regulate such matters as affected national life in all its aspects, account must be taken of the circumstances peculiar to each State. For that purpose, any international engagement would have to be supple, practical and progressive.

Although M. Sato recognised the importance of the problems of the regulation of the manufacture of and trade in arms, which called for the most careful study on the part of the Conference, he was convinced that the first task of the Conference consisted in coming to an agreement on disarmament. Consequently, it would be difficult for him to take a decision on those problems, as long as the provisions relating to disarmament, and especially those relating to material, had not been adopted by the General Commission.

M. RUSPOLI (Italy) reminded the Commission that the Italian delegation had declared, on behalf of the Italian Government, its readiness to accept the United Kingdom draft Convention as presented on March 16th, 1933, every reservation being made with regard to any amendments or additions that might subsequently be proposed. In spite of the sacrifices which the United Kingdom proposals would entail for Italy, the draft commended itself to the Italian Government as being in line with its conception of disarmament, since it reduced quantitatively the potential production of war material throughout the world.

Mr. EDEN (United Kingdom) said that the debate had covered a wide field and had included subjects which had been little discussed in the Commission, however long they might have been debated elsewhere. He need make no apology, therefore, for saying that the few remarks he proposed to make would be of a preliminary character, and that the final comments of the United Kingdom Government, particularly on the proposals of the French delegation, must be reserved for the second reading, when there would have been time to submit them to the detailed examination which they clearly required.
He did not propose to devote more than a few words to that part of the debate which had turned on the proposal for the abolition of the private manufacture of arms. The views of His Majesty's Government in the United Kingdom on that question were well known. It had never seemed just to that Government to mete out to private manufacture a punitive form of treatment from which State manufacture would remain entirely free. Such differentiation would act unjustly as between nations, and the United Kingdom delegation shared the view just expressed by the German representative that private and State manufacture should be treated alike. But there were other difficulties which His Majesty's Government felt in connection with private manufacture—difficulties which were already recorded in the report of the Committee and need not be restated. These objections were shared by a large number of other delegations and had been stated with great cogency on the previous day by Mr. Norman Davis, with whose remarks Mr. Eden was in general agreement. Even if these objections could be removed, there would, he feared, be others, such as the large financial operation which would be involved in the nationalisation of arms factories, an operation which few Governments would feel inclined to undertake in the present period of financial stringency. He would like to remind the Commission of a declaration made by the Secretary of State for War on December 8th, 1932, which represented the policy of His Majesty's Government in that question:

"His Majesty's Government are perfectly prepared to accept and to enforce further control of the private manufacture of arms going beyond the control which at present exists, provided that some equitable proposal for such control could be worked out and that similar control be in force in all arms-producing States. We think that the most equitable scheme would probably be found to lie along the line of control by licences and publicity of manufacture, operated under the authority of the various national Governments rather than by some international authority. We believe that that control would be adequate to remove the evil effects of the private manufacture of arms which are referred to in the Covenant."

Mr. Eden desired next to deal with the main part of the report of the Committee on the Trade in and Manufacture of Arms and with the French proposals. In speaking to the General Commission on March 27th, 1933, in support of the United Kingdom draft Convention, Sir John Simon had said, as M. Jouhaux had reminded the Commission on the previous day, that the trade in and manufacture of arms was one of the subjects not covered by the draft because the Committee dealing with the subject had not yet reported. The situation had now been changed by the presentation of the report; but Mr. Eden was afraid he must agree with M. de Madariaga that that document had not helped to clarify the position or brought the Commission substantially nearer to its goal. There must have been a gently ironical intention in its English title, "Progress Report"; for, in fact, it scarcely concealed the failure of the Committee to achieve any progress whatever.

It behoved the Commission now, as a condition of progress, to examine the causes of this failure. The most significant passage in the report in this connection was to be found in paragraph 7 of the report: the majority of the Committee, the United Kingdom, German, Italian, Japanese, Persian and United States delegations, had there explained the reasons why, in their view, the Committee had been unable to achieve any results, and had stated the important and far-reaching points on which decisions were required before any such results could be achieved. The other delegations represented on the Committee, while they were not associated with that statement, were less convinced that certain important decisions of principle were required before progress could be made. The questions which they had submitted to the General Commission were scarcely less far-reaching than the points to which the majority of the Committee had drawn attention. Both the declaration of the majority and the questions of the minority sufficed to show that the problems which now faced the Commission were closely bound up with the whole question of the limitation, publicity and supervision of armaments. It was clear that those questions could not be answered immediately, and once more Mr. Eden was in agreement with M. de Madariaga when he suggested that they should be included in the conversations between Governments, which it was hoped would take place under the chairmanship of the President of the General Commission before the second reading.

The new proposals of the French delegation for dealing with these problems and also M. de Madariaga's important suggestion regarding the relation between this problem and the traffic in drugs would require careful examination.

Mr. Eden had one doubt as to his understanding of the French proposals. If he read them correctly, it was proposed that the Commission should abandon the conception of a simple quantitative limitation of the possession of certain forms of war material, by which it had hitherto been guided, and should adopt a quota plan, not for the possession of various categories of war material, but for their manufacture and import. Under such a system it would presumably be necessary first to ascertain the stocks of the different kinds of material in the possession of each party to the Convention. The logical consequence would be that the countries with large stocks of material would have very small quotas for manufacture or import during the first year; otherwise, the countries with small stocks would be heavily penalised in comparison with those having large stocks. That was a result which no one desired.
Mr. Eden assumed that that would be an essential part of the plan, for he could not agree that existing stocks were a negligible factor; if they were ignored, those Powers that had been piling up armaments in the years before the coming into force of the Convention would be favoured unjustly.

In the interval before the second reading, His Majesty's Government would submit the French proposals to a most careful examination. Mr. Eden had some apprehension, however, as to the prospect which confronted the Commission. He was somewhat alarmed at the complications which the system seemed likely to introduce, and must say frankly that he had some doubt as to whether it would assist in that early conclusion of the Commission's work which all were anxious to realise. That was, however, only a first impression, and he would gladly do his best to correct it at a subsequent examination. But surely the conclusion to which the discussion of the past two days led was that, the greater the impression, and he would gladly do his best to correct it at a subsequent examination. But surely the conclusion to which the discussion of the past two days led was that, the greater the measure of disarmament that could be realised in the first Convention, the less serious the problem in question would become. For instance, as Mr. Norman Davis had said with regard to the problem of private manufacture, for a number of firms the manufacture of arms was a by-product to-day. The less demand there was for such manufacture, the less important would that by-product become to the firms concerned. If, for instance, heavy guns, large tanks and so forth ceased to be required by the world at all, manifestly the manufacture of that form of armaments would lose its importance entirely, and the firms would have to rely to an increasing extent on work other than armaments. Thus, as always, one came back to the main problem: that agreement upon the major problems of disarmament itself was the essential task of the Conference. If that agreement could be realised, the other problems, important as they might no doubt be in themselves, would fall into their own place in the scheme of things, and would not confront the Conference with the same stubbornness of solution as they appeared to show at the present time.

M. Borberg (Denmark) said that, in his draft Covenant, President Wilson had provided for the total abolition of the system of private manufacture of arms and munitions. The Covenant itself did not go as far as that, but, in Article 8, the Members of the League agreed that the manufacture by private enterprise of munitions and implements of war was open to grave objections. It seemed, therefore, that there could be no doubt that the Governments who had drafted and signed the Covenant had had experiences before and during the war which they did not wish to have repeated.

The facts which had come to light since then did not seem to encourage a policy of laissez-faire in the matter. It could not be denied that there was a growing apprehension among the public, a fear that sinister forces were at work, forces that would work in a direction that was counter to all the endeavours at Geneva to make the world a better and safer place in which to live.

The Danish delegation and the Danish Government considered the problem of the private manufacture of arms as one of the most important, if not the most important of all the problems with which the Conference had to deal. So important did it seem that it might be examined equally well under the heading of security, supervision, material, derogations, defence expenditure, or moral disarmament; it concerned all those problems.

It was therefore very regrettable that it had to be admitted that the report of the Committee for the Regulation of the Trade in and Manufacture of Arms and Implements of War was a most miserable report. Let it be said at once that the fault did not lie with the Rapporteur, quite the contrary. As a member of the Committee, M. Borberg desired to thank M. Komarnicki for his untiring efforts, his ingenuity in trying to smooth over difficulties, his perseverance and his unfailing good humour.

M. Borberg would not dwell upon the deliberations and procedure of the Committee, but the report seemed to prove that further discussion would have been very desirable. As would be seen, the delegations that would not accept the suppression of the profit system with regard to arms did not know whether such cases of "misconduct" as interference with the Press, improper influence on Parliaments, bribery, and so on existed. But if they did not know of these evils, why did they not ask others for the facts? After all, in a task such as that before the Committee, the first object must be to ascertain the facts, then to face the facts, and finally to draw conclusions from them. How otherwise could it be known over what supervision was to be exercised?

As to the facts, some of them had been stated in the report of the Temporary Mixed Committee in 1921 and were repeated as examples in the report before the Commission. If some of the facts only which had come to light since 1921 and had been presented in public without contradiction were true, then the situation was very bad indeed. However, he would not try to stir up his hearers' sentiment; they would hear nothing from him about a "bloody international" or the "death racket". He would not even mention the various scandals. They were considered to reflect upon the honour of the countries whose nationals were involved in them. That was wrong; perhaps quite the contrary was true: if certain cases in various countries had become known, that might simply mean that in those countries the standards of government, of the courts or of Parliament were such that the misconduct was properly investigated. Worse cases elsewhere might not even have reached the stage of detection. Anyone who believed that all cases of bribery were detected must be pretty naive.
If M. Borberg did not speak of the scandals, it was simply because it was not the moral side of the picture that mattered most. The task of the Conference was not to establish moral or penal codes: it had a problem of organisation to solve, a peace-time political task to accomplish. But the essential fact was that the evil actions were influencing men's feelings, producing lack of security, leading to increases in armaments, and thereby endangering peace. Murder might be prohibited and the murderer, if he were caught, might even be punished, but the victim could not be resurrected. If, after giving false information about a potential enemy, someone induced a country to build new cruisers or new fortifications, what did it matter that he was fined? The deed was done; the cruisers and fortifications were built, and the citizens were the victims. No national legislation on bribery, and so on, could eliminate the evil effects of the present system. The problem must be seen in its proper proportions.

The system of private initiative, of profit, had certainly been of enormous importance in the history of man. It had been a persistent incitement to him to do his best, a steady pressure in favour of new inventions and mechanical improvements. But the first question to be asked was, why should the profit system have anything to do with national defence? Why should it apply to the manufacture of arms? No modern economist considered the manufacture of arms to be economic. From that point of view, it was only squandering material for the production of articles that did not satisfy any normal, peaceful human needs. Nay, it was even potential destructive production. Officers and soldiers were no party to economic production; from that point of view they were all unemployed. The same applied to all workers in factories producing arms: they were perhaps the highest paid unemployed. The picture of armament factories at work was filling men's thoughts with misleading images: substantial disarmament must mean money saved, lower taxation, an impetus to trade. Moreover, the workers to whom M. Borberg had referred would be released from uneconomic production and used for economic productive purposes. If the false picture of armament manufacture were allowed to enter men's minds, they would come to the false conclusion that they could not abolish aggressive weapons, bombing-planes, for instance, as someone would certainly be employed in producing and handling them. By no twisting of words, by no stretch of imagination, could arms manufacture become economic.

It would be said that that was only true from the point of view of humanity as a whole, that armaments were, if not public utilities, evil necessities, and that to the producing countries their manufacture was national wealth. The policeman was necessary, and his salary was his living. But the thief had an income as well, and presumably no one would propose to solve the problem of unemployment by establishing schools for larceny, so that part of the unemployed might thrive as thieves, others as locksmiths, and the remainder as policemen.

The profit system in arms manufacture was working in the same direction, whether it were held that arms manufacturers were policing the world or robbing it.

It was claimed for the system of profit that it gave more goods, cheaper goods and better goods than other methods would produce. More goods. But the world did not want more goods: it had quite enough instruments for mass killing. It wanted less goods. That was the very idea of the Disarmament Conference, as it would be of subsequent conferences.

Cheaper goods. But it was well known that exorbitant prices were paid for arms and munitions. Where the armament manufacturers were not organised in rings, they had in most places a factual monopoly. Competition meant little or nothing in the trade: if a country other than that in which the armament manufacturer worked bought a new weapon, that would give him a chance of selling a similar or better weapon to his own country. This would go on even after the Disarmament Convention had been signed, if the Convention did not restrict competition in the quality of such arms as were allowed by the Convention, in somewhat the same way as had been suggested by the Polish delegation.

Unfortunately, the theory of the cheapness of the profit system did not agree with the facts. A Minister of Munitions during the war had stated that the cost to the State of buying munitions from private factories was consistently greater than when they were bought from national factories. Another Minister for War or Minister for Munitions had stated that by introducing a system of cost calculation and then checking the prices of certain goods in the national factories and in the private factories a saving of some nine billion gold francs had been effected.

And then better goods! Well, the existing goods were so efficient that the Conference was trying to abolish the best. Better goods! No, not even national defence derived any guarantee from the profit system. The arms manufacturer would sell whenever he could sell, even out-of-date armaments, as the Latvian Government had testified in 1926. Or, to take another
nor his selling department would be working to any purpose. The next disarmament conference on differences, on new inventions and improvements. He was certain to examine the international organisation; but the private manufacturer had no interest in that. He throve guns of the army were such that they could not be better. It had often taken several, sometimes many, years before new inventions—for instance, the machine-gun and the submarine—were accepted. Then, one country bought—and the rest the Commission knew. It would be logical in an international disarmament Convention, establishing proportions for the various means of defence, to standardise all material, which could be done under an international organisation; but the private manufacturer had no interest in that. He throve.

Better goods! The history of armaments showed that in most cases it was not Governments that asked for better goods. One world-famous manufacturer, having produced a new infantry gun, offered it to his own Government. The military authorities replied that the guns of the army were such that they could not be better. It had often taken several, sometimes many, years before new inventions—for instance, the machine-gun and the submarine—were accepted. Then, one country bought—and the rest the Commission knew.

More goods, cheaper goods, better goods! What had the Government of Cuba said in 1926:

"The servants of the . . . company, to increase their gains (there the profit system came in) deliberately continued for many months to commit acts the natural and probable consequence of which would be the sacrifice of the lives of our seamen in time of war and with them, perhaps, the dearest interests of the nation."

More goods, cheaper goods, better goods! The system of profit applied to arms and munitions had meant a persistent and steadily increasing pressure for more armaments than were wanted, better armaments than were needed, for armaments so expensive as to stagger the imagination. Had it not been for that system, the world would never have been led to the present wildly exaggerated quantitative and qualitative level of armaments. There was so much plausibility, so much make-believe and make-yourself-believe, in the reasoning about this problem. The armament manufacturer was likely to see himself in a flattering light. Man was made that way, and he felt very respectable when his financial interests and his patriotism could blend, without perceiving that the first counted more than the latter. For his part, M. Borberg could not see how an arms manufacturer could always be loyal to his customer, a foreign Government, a potential enemy of his country, loyal to his shareholder, and loyal to his country. But he himself might enjoy that illusion. Let him not, however, enjoy the privilege of any illusion as to his value to the community as a whole. There was a great illusion in that respect. He was believed to be of the same kind and value as manufacturers catering for normal, peaceful human needs; but the arms manufacturer was the enemy—the worst enemy—of the private manufacturer in peace industry. He was producing insecurity, diminishing sales possibilities and competing in regard to wages. Not that M. Borberg objected to higher wages, but he was looking at the matter from the point of view of the manufacturer in peace industry. The arms manufacturer was competing with him in buying raw material, increasing the risks that his money would not be returned, increasing his taxes and the taxes of his customers in the countries to which he exported. All war debts, whether internal or external, were infested with his pursuit of profit. The world was still paying for its part in the last war. M. Borberg would like the International Chamber of Commerce, or some other body of similar importance, to look into that side of the problem and to organise against the arms manufacturer from the point of view of prosperity through peace.

The arms manufacturer had no interest in peaceful times. Lack of security was the very basis of his possibility for making profit, and, when war came, his interest would be on the side of a large-scale war lasting as long as possible. One reason why he was believed to be like any other kind of manufacturer was that very often, apart from arms, he produced the same kind of articles as the others, and it seemed very difficult for people to see that the same man, acting from identical motives, was doing harm in one case and service in the other. In times of economic crisis, when there was a slump in the sale of the other articles, the profit system in arms manufacture would be expected to lead to pressure for selling arms—that was to say, lesser confidence, disturbances, conflicts and a prolongation of the crisis. Would a smart armament agent, trained in good salesmanship, never work in that way? The private manufacturer of arms had no interest in common with the others in this respect. M. Borberg submitted that he was wearing the Emperor's new clothes.

Why should statesmen accept the existence of such a system, running counter to all their endeavours to promote peace? While not denying the cynicism of the private manufacturer
of arms, a member of the Committee had doubted whether Governments were less cynical. Yet there was a difference, if not in morality, then in behaviour. A code of behaviour had been established for Governments. In the event of a conflict between two countries, the other Governments exercised pressure upon them, reminding them of their international obligations and asking them to come to Geneva in order to reach a reconciliation. Was the private manufacturer of arms likely to come to Geneva for the same purpose? Not he! He had heard quite enough of the eternal "discussions" held there. No. Being more realistic than his Government, he had long had good reason to believe that a conflict might arise, so his agents were already established in the conflicting countries. They immediately rushed to the Minister of War and the Foreign Minister and spoke as follows: "My dear Minister, do try to avoid war. First of all, you are not sure to win, and then, do you really know what war is like? The healthiest stock of your youth decimated, women and children ruthlessly killed, cities and fields destroyed, your trade ruined, your budget unbalanced for many years to come. Follow my advice. Do not fight, negotiate. But, if the other country is foolish enough to fight and you, for the honour and existence of your country, cannot avoid the war, then take this card. On it you will find the name and address of the best arms manufacturer in the world. He has the most efficient weapons ever invented, and at ridiculously low prices. Buy from him, he is our competitor!"

Unfortunately, the agent did not succeed. While a member of his Foreign Office was at Geneva, another member at home authorised the granting of licences for the exportation of arms from his firm to both the conflicting countries. No one was ashamed, no one laughed. The business point of view had the upper hand in the evaluation of the circumstances, in the choice between a conscious peace policy and the selling chances of individual concerns, while the world at large and the exporting country as a whole were interested in prosperity through peace. It was retail politics instead of real politics—real peace politics.

What did the exportation of arms mean in money, even for the big exporting countries, compared with the sum total of their exports? Very little. The export statistics included the exports of State-manufactured arms and only a percentage of the rest, though a heavy one, represented profit, a profit part of which might go to shareholders in foreign countries. For the sake of small percentages, the exports of all peace products might suffer, only that was not shown by the figures, as no licences were required for loss of trade. The proportions were wrong.

But there was a change of spirit abroad. Proposals for stopping the exportation of arms had been presented to the United States Congress, the United Kingdom Government had taken the initiative in making definite proposals for an international agreement in the case of the conflict in the Far East, and they and the French Government had made a similar move with regard to the conflict between Bolivia and Paraguay. M. Borberg humbly submitted that, in the first case, the advice given to China was: Have your own manufacture of arms and munitions, private or State: you cannot rely upon supplies from the private manufacturers of other countries. Their Governments may become too moral.

It might be respectable to do what others were doing, but was it moral to make one's action dependent upon others doing the same thing? And was it really a moral question, or a political peace question? It seemed contrary to the spirit of the Pact of Paris—to an obligation to refrain from using force—and contrary to the idea of stipulating that one's military forces should not leave the country, that arms manufactured in the country might, in case of conflict, still go abroad to aggressor and victim alike. If it could not be done without agreement, why not include the necessary engagement in the disarmament Convention in the section on security?

But it could be done without an international agreement. M. Borberg had the honour to represent a Government which some years previously had decided that licences to export arms should not be given in cases where the international situation was such that the importing country might be involved in a war. His Government had adhered to that decision during the conflicts of the latter years.

Might the time come when all Governments might be considered as conscious and cynical in their pursuance of peace, as the private manufacturer of arms and munitions was now suspected of being conscious and cynical in his pursuance of profit!

M. Borberg had dealt with the problem of the private manufacture of arms from the negative—but, in the opinion of the Danish delegation, the most important—aspect, that leading to the total suppression of the system. Concerning the positive aspect, that of the system that should replace the existing system, little need be said. The ideal situation would be a co-operative factory for all the world somewhere in the stratosphere. But even on earth it would seem possible to organise it satisfactorily in many ways. The elements for making such an organisation work out much more cheaply than the present system were there. One element was to reduce armaments so much that the sums saved would suffice for establishing the few factories needed for the production of the few remaining arms. Sums for experiments on new weapons and sums spent on agents could be saved. The whole world production of arms could be organised in the most economic way, and the profit would be greater security, lesser taxation, more trade for the peace industries.
So many fruitful ideas as to possible solutions of the problem of organisation had been suggested that, for the time being, M. Borberg could confine himself to referring to the suggestions of the French, Spanish, Polish and Turkish delegations. At the same time, he agreed with M. de Madariaga’s proposal as to procedure—that the Commission should hand over its troubles to the President. The Conference had now burdened him with so many tasks that one imagined he would be employed on their solution for many years. As his energy and perseverance would surely not diminish, M. Borberg hoped in return that he might count upon receiving the Wateler Peace Prize as a regular annual income!

M. Lange (Norway) said that the Norwegian delegation had not sat on the Special Committee. He therefore desired to say, as there was no voting at the first reading, that, if Norway had taken part in the deliberations, she would have been on the side of the minority which had declared in favour of the abolition of private manufacture.

It was evident that no one got anything for nothing and that, as had been stated in that Commission, the abolition of private manufacture might entail certain disadvantages; but the Norwegian delegation was of opinion that the evil effects of private manufacture were so obvious and serious that heroic remedies would have to be applied to root out an evil which a French writer had called “the patriotism of armoured plates”.

As regards the particular question raised in the French proposal, the Norwegian delegation shared the opinion expressed in the covering letter signed by M. Paul-Boncour to the effect that the insertion of a chapter on effective and rigorous supervision both of the manufacture and of the trade in arms was indispensable. He ventured to hope that, as regards the insertion of a chapter relating to such supervision, the few dissentient voices would be silenced as a result of the negotiations to be held between the present session and the following. Otherwise, there would be a defect in the very system of the first Disarmament Convention, which might have the most serious consequences. He therefore earnestly hoped that every effort would be made to find methods of supervision acceptable to all. The Norwegian delegation, however, was naturally prepared to accept the strictest and most highly developed system of control which it was possible to conceive.

M. Jouhaux (France) said he merely desired to add a few words to what he had said on the previous day with regard to the discussion in the General Commission.

He was glad to note that a large number of delegates had spoken in support of the view which he had himself put forward and had maintained the need for instituting a system of supervision of arms factories which was indispensable. It was necessary, of course, to take into account all the shades of opinion manifested in the course of those expressions of approval, and he would say in advance that the French delegation accepted them and subscribed to them and would endeavour, as far as possible, to give them due consideration.

There remained, however, one fundamental problem: that of the limitation and control of private manufacture and State manufacture in conjunction with the present draft Convention discussed by the General Commission. M. Jouhaux would venture to say one thing quite frankly: he found the argument that that was a new question which had not been contemplated in the draft accepted as a basis of discussion a strange one.

The Commission was discussing the limitation of material, the supervision of material. Could it be maintained that supervision and limitation of manufacture were outside the scope of those discussions? There was a very real connection between material and manufacture and, the question of the limitation of material having been raised, that of the limitation of manufacture was, by implication, raised also. Was it proposed to consider that existing material constituted an international question and manufacture of material an internal question? He did not think that any delegate could possibly have such an idea in his mind. When material was limited and it was stated in the Convention that such and such a Government had the right to such and such an amount of material, was not that system of quotas being established which was stated to be outside the scope of the Convention under discussion? That was no new question, but was intimately connected with the questions raised expressly or by implication at the time of the discussion of the initial draft. The French amendment now submitted must be understood in that sense, and in that sense only. M. Jouhaux wished to say how glad he was to hear Mr. Norman Davis’s speech, which was at once so moderate and so comprehensive and full of hope. He had no illusions as to the difficulties which might be encountered before a definite and useful result was reached, but they would have to work for that result. The object in view must be attained, and it would depend on the procedure applied.

There had been talk of stocks and it had been suggested, in connection with that question, that the French amendment could not be discussed. He would reply that the question of stocks had been raised from the time of the earliest meetings of the Disarmament Conference in connection with internationalisation and supervision. He saw no objection to the question of stocks being examined, as the French delegation had been the first to raise it. There could be no valid objection to examining the amendment submitted by the French delegation, which asked that, if there were any discussion or exchange of views between the first and the second
readings, those exchanges of views should take place between the supporters of the two main ideas put forward in the General Commission. In other words, the French delegation asked that all the representatives of the States which had, during the discussion, declared in favour of its amendment, subject to certain variations, should take part in those discussions, so as to enable the Commission to submit at a second reading a proposal for insertion in the Convention itself.

M. Komarnicki (Poland), Rapporteur, said that the discussion in the Commission on the previous day and to-day would certainly have a great influence on the subsequent work of the Conference in connection with the international regulation of the manufacture and trade in arms.

In the first place, he desired to express his special thanks to the delegations which, although they had not participated in the work of the Committee, had taken the first opportunity of stating their point of view as regards the substance of the problems raised by the Committee's work. The General Commission had also heard very important statements from the delegations represented on the Committee. Those declarations, while revealing wide divergencies of view with regard to the main questions of the trade in and manufacture of arms, seemed to contain many points in common and might serve as a valuable guide to the Conference in drawing up the final provisions.

It was perhaps unnecessary to add that the Committee for the Regulation of the Trade in and Manufacture of Arms and Implements of War was a technical committee which had been called upon to prepare the ground for political decisions. He drew the Commission's attention to the conclusions of the first report which he had had the honour of submitting to the Bureau (document Conf.D.145).

Point VI of the conclusions to that report stated that it was desirable that the Committee should, before the resumption of its work, be in possession of:

"(b) The decisions of principle, and if possible regarding details, that the Conference may take regarding limitation and publicity of war material."

That report was dated November 12th, 1932. The resolution adopted by the Bureau on November 22nd, 1932, stated that, as regards the Committee's conclusions concerning the questions of the limitation of and publicity in regard to war material: ¹

"The Bureau considers that any final decision . . . should be postponed until appropriate solutions have been reached by the competent organs of the Conference."

Those two texts showed the difficult conditions in which the Technical Committee had been working.

The first discussion in the General Commission seemed to have led to an understanding on certain points. In his opinion, it was incontestable that the great majority of the members of the Conference had pronounced in favour of the adoption, in the first Convention for the Reduction and Limitation of Armaments, of detailed provisions relating to the international regulation of the manufacture of and trade in arms. That opinion of the Conference to some extent strengthened the following resolution adopted by the Bureau on November 22nd:

"The Bureau of the Conference considers that it is already agreed that the provisions relating to the trade in and manufacture of arms and implements of war shall be included in the same legal instrument as the Convention for the Reduction and Limitation of Armaments."

Since that resolution, the position had become more definite. A draft Convention had been adopted by the Conference as a basis of discussion. M. Komarnicki was consequently of the opinion that he was entitled to interpret the discussion to mean that a particular part of the future Convention would be devoted to the questions of the manufacture of and trade in arms. It seemed to him necessary to be prepared for an objection of principle by several delegations with regard to certain radical proposals submitted by some of the delegations, and in particular the proposal for the abolition of private manufacture and that for the internationalisation of the manufacture of arms. It seemed to him that it would be more prudent — and here he was following the advice given by M. de Madariaga—to contemplate, during that first stage, the creation of a system of international regulations which might, in the opinion of certain delegations, be less perfect and less effective, but which nevertheless constituted a considerable improvement as compared with the present position. A decisive step would thus be taken in the direction of the development of international law in that field.

M. Komarnicki considered that the important statement made on the previous day by Mr. Norman Davis on that question contained a programme which it would not be impossible to carry out in the first Convention. The proposal made by some delegations to place themselves in the hands of the President of the Conference and ask him to undertake the preparation of the texts for the second reading, after discussing the matter with the delegations interested in the problems in question, seemed to M. Komarnicki to be the only practicable method at the present stage.

¹ See Minutes of the thirty-first meeting of the Bureau, page 107.
The preliminary technical part of the work was terminated and, in the absence of political decisions, it would be quite impossible to make any further progress in that field. The Committee had fulfilled its modest though very arduous task and he hoped that its report, which he had submitted to the General Commission, would constitute a basis of discussion during the period before the Conference—that was to say, the period of realisation.

The President said he was sure the Commission would wish him to express its appreciation of the services of the Rapporteur.

He then put to the Commission the following draft resolution proposed by M. de Madariaga:

"The President of the Conference shall be entrusted with the necessary negotiations with the delegations which may have any proposals to offer in respect of the stringent regulation of the trade in and manufacture of arms, so that the relevant text may find its place in the draft Convention submitted by the United Kingdom delegation before the General Commission takes up the consideration of that draft at second reading."

He added that that resolution meant, as the Rapporteur had suggested, that every effort would be made to include in the draft, which the Commission would probably begin to consider on July 3rd, a text dealing with the subject that had just been discussed.

The draft resolution was adopted.

SEVENTY-SIXTH MEETING

Held on Wednesday, June 7th, 1933, at 3.30 p.m.

President: The Right Honourable A. HENDERSON.

138. REPORT OF THE NATIONAL DEFENCE EXPENDITURE COMMISSION: GENERAL DISCUSSION.

The President opened the discussion on the report of the National Defence Expenditure Commission. The report, which was based on the report of its Technical Committee, was both clear and complete. It was the result of fifteen months of continual labour.

The General Commission had every reason to congratulate the Expenditure Commission and its Technical Committee on this really remarkable work. The General Commission might also congratulate itself on being confronted with a report containing unanimous conclusions on several important points. That was the case, not only when the Expenditure Commission arrived at negative conclusions—in the matter of separate limitation of expenditure on the three forces and on land and naval material—but also where the conclusions were positive, namely, as regards the organisation of full publicity for national defence expenditure subject to international supervision.

It was true that opinions differed as regards the possibility of immediate application of a system of limitation of total expenditure, but on this point the discussion in the General Commission would no doubt be helpful.

The two principal points on which the General Commission would be called upon to take a decision were:

1. The possibility and desirability of applying a system of limitation of national defence expenditure (point 7 in document Conf. D.161), and

2. The desirability of a system of publicity for national defence expenditure (point 8).

The first point would be put first to the Commission. In this matter, the opinion of the majority of the Expenditure Commission had been presented in the form of an amendment to the United Kingdom draft Convention, proposed by the French delegation, the text of which was as follows: 4

"The total expenditure on national defence of each of the High Contracting Parties shall be limited to the figure fixed for it in the table appended to the present Section.

"The conditions for the application of this limitation are defined in the annex to the present Section."

(The annex will define what is to be meant by national defence expenditure and will determine the rules for the application of limitation on the basis of the recommendations made in connection with point 6 of the report of the Expenditure Commission and in the report of the Technical Committee.)

In view of the interdependence between the questions of limitation and publicity, the President would not apply too rigid a rule as to a separate discussion of limitation and publicity.

M. De Vasconcellos (Portugal), President of the National Defence Expenditure Commission, said that, in the report which had been circulated, the Commission would find an enumeration of the articles of the draft Convention drawn up by the Preparatory Commission of the Disarmament Conference, which were referred to the National Defence Expenditure Commission in order that the latter might make a study of these articles which would enable the General Commission to take a decision with full knowledge of the facts.

Generally speaking, the duty of the Expenditure Commission was to study the possibility of a supervised limitation of the aggregate expenditure on national defence, the separate expenditure on the three forces and the expenditure on land and naval material, and of a publicity, also supervised, of national defence expenditure. For this purpose it had to carry further the study already made in regard to the same subjects by the Committee of Experts on Budgetary Questions whose report had been submitted to the Preparatory Commission.

After a rapid survey of all these questions, the Expenditure Commission had set up a Technical Committee, to which it had assigned the formidable task of examining the possibility of both limitation and publicity, in the light of the national defence budgets of all the Powers represented at the Conference, and at the same time of studying all the problems and difficulties which this first reading had revealed.

The Committee had been able to examine completely the documentation of nineteen States, and partially that of ten other States. It had only examined the documentation of these twenty-nine States because the others had so far failed to send the documentation requested or had only sent a documentation which was incomplete and insufficient for the aims in view. But when he stated that the national defence expenditure of the twenty-nine States examined represented 90 per cent of the national defence expenditure of the whole world, and when he added that the total expenditure of the whole world amounted to the astronomical figure of over 4 milliards of gold dollars, or approximately 22 milliards of Swiss francs, the Commission would have some idea of the formidable task of the Technical Committee and of the solid foundations of the edifice which it submitted in its admirable report.

He would like to quote some of the remarks he had had occasion to make in the Expenditure Commission on this subject:

"... This report is based on thirteen months' almost continuous work, performed by twelve experts appointed by the Expenditure Commission and their assistants. They have had to examine a documentation amounting to tens of thousands of pages. It is not too much to say that this report, judged by the volume of work which it represents and from the point of view of its clear and intelligible presentation, constitutes the best example of what can be accomplished by a body of men working under the auspices of the League of Nations, with the help of the machinery at its disposal. . . ."

"... It will be sufficient for me to say, to give you a striking idea of the scrupulous care with which it was drawn up, that this report was discussed three times, page by page. . . ."

He would not examine here the details, or even the general outline of the technical studies inserted in this report, which would remain a classical work of reference on this subject. He would confine himself to the conclusions on which the General Commission would have to take a decision.

The General Commission had asked, "Is an immediate supervised aggregate limitation of national defence expenditure by budgetary means possible?" By a large majority the Expenditure Commission answered: "Yes". A considerable minority answered: "Yes, subject to certain conditions, but not immediately".

The General Commission had asked, "Is immediate supervised publicity of national defence expenditure by budgetary means possible?" The Commission unanimously answered: "Yes". "Is separate limitation of expenditure on each of the three forces possible?" The Commission unanimously answered that, in the present condition of national budgets, it was not.

"Is separate limitation of expenditure on land and naval material possible?" The Commission unanimously replied that, in the present condition of national budgets, it was not.

It would therefore be seen that, despite the magnitude of the task, despite the numerous difficulties which accumulated along its path, the Expenditure Commission had taken a unanimous decision on the majority of the questions and on one of them a decision in which "the differences between the majority and minority really only amount to shades of opinion", as one of the most eloquent representatives of the minority suggestively put it.

1 Document C.I.82.M.69.1931.IX.
To arrive at such conclusions the Committee, and the Expenditure Commission which had endorsed them, had had to set up a system in which the necessary technical instruments of the machinery which had been organised could be put into action. The most important part of the machinery was the Model Statement, in which all national defence expenditure would have to be entered in a uniform manner for all States, together with the particulars annexed to the Model Statement, which was essentially technical in character, and the reconciliation tables, which would enable the very numerous items of the national budgets to be harmonised with the necessarily less numerous items of the Model Statement, thus meeting the requirements of uniform presentation. But a point which he wished to submit to the Commission’s attention and judgment was that, in this case also, in drawing up a necessarily complicated technical system, there had been no majority or minority; the Technical Committee was unanimous in accepting the framework in which limitation and publicity were to operate, the same framework holding good for both.

Such a system obviously presupposed the realisation of a series of conditions or bases on which it must be established. They were enumerated in point 6 of the Expenditure Commission’s report. He only wished to mention one of them, because it had led to the keenest discussions in the Committee—namely, the special procedure devised to take account of fluctuations in purchasing power. The General Commission would certainly read with pleasure the chapter of the report concerning this question, based on a remarkable study by M. Sandler, and, in order to take a decision, it would have to take into account the opinions for and against the efficacy of the proposed procedure, set out in the Minutes of the Expenditure Commission and in more detail in those of the Technical Committee. On all the other questions, and there were very difficult ones—in particular, the definition and establishment of the conventional list of national defence expenses—complete unanimity was obtained.

Was the system proposed a rigid mechanism within which it would be difficult to adjust to the somewhat variable level of the cost of living the national defence requirements of countries whose military institutions were completely different, and to take into account the wide variety of administrative and financial methods?

No; on the contrary, the system was extremely flexible, for the Committee, having unanimously recognised that it was impossible to compare the national defence expenditure of different countries, was leaving them free, on the introduction of the system, to present their expenditure figures as they thought fit—provided always that they would be subjected to the system of supervision adopted by the Permanent Commission. Expenditure on armaments was not a standard of comparison for the armaments of different countries; but, once the system was in operation, that expenditure might serve as a criterion of the armament expenditure of any given country from year to year, regard being paid to certain circumstances specified in detail in Chapter XXI of the Technical Committee’s report.

Neither the Technical Committee nor the Expenditure Commission claimed to present the system of budgetary limitation as a complete and final system for limiting armaments. It was not a self-sufficient whole; as one of the most distinguished members of the General Commission had so well said, it merely constituted one element which found its place in other processes of qualitative and quantitative limitation and of supervision. But it was the only method of really effective limitation that could be applied to the competition in costly armaments. In that case, it might play a decisive part in a Disarmament Convention.

Both the limitation system and the publicity system, however, would find their essential field of operation in the system of supervision that would be adopted in the Convention. They would be the determining factors, the indispensable instruments of that supervision. Only the indirect method could prevent the increase or improvement of authorised or non-limited armaments, and therefore it was only by that method that they could be brought under strict supervision. M. de Vasconcellos foresaw that one of the most important sections of the supervision system would be the budgetary section; the past and future work of the Technical Committee would provide a firm foundation for the operation of the supervisory machinery of the Convention.

Before concluding, he would like to submit a few reflections on the psychological influence that budgetary limitation might exert upon world public opinion. It would certainly not be a matter of indifference, for the success of the Conference, that it should be possible to embody in the Convention which it was proposed to submit to the States for signature clauses that put a term to the piling-up of expenditure, which now aggregated more than 20,000,000,000 Swiss francs. He was familiar enough with the argument that the money expended remained for the most part in the countries expending it, and that the money expended remained for the most part in the countries expending it, and therefore merely represented a transfer of funds from department to department. But it must not be forgotten that, when enormous sums were expended in any given country, it was preferable to devote them to the creation or distribution of wealth, rather than to the construction or improvement of a machine of such a nature that it was the anxious hope of all the world that it might not be used for this purpose. This paradox, which certainly did not help to bring about an economic improvement or recovery.

The Expenditure Commission, as it had been requested to do, was submitting all the necessary data to enable the General Commission to decide whether clauses dealing with limitation and publicity should be introduced into the Disarmament Convention. It was stating with complete impartiality the arguments for and against the application of those clauses and for and against the text of certain of their details. It was for the General Commission conscientiously to decide whether it thought those clauses applicable, expedient and necessary.
To crown this structure, the Expenditure Commission was furnishing an example of high
endeavour—the example of a Commission which, confronted with a laborious task bristling
with difficulties, had succeeded in completing that task in a spirit of understanding, goodwill,
impartial co-operation and international idealism.

M. FRANÇOIS (Netherlands), Rapporteur-General of the Expenditure Commission, said
he would merely emphasise one or two points on which the President of the Expenditure
Commission had already touched.

Under the Commission’s terms of reference, it was to examine the technical conditions
for the possible application of the most suitable system of limitation and publicity of national
defence expenditure. It was not part of the Commission’s duties to judge whether such
limitation or publicity was desirable. This was a question for the General Commission.
Nevertheless, during the discussions, some delegations had submitted observations regarding
the advantages or disadvantages of such a system. Without making any recommendation
on a subject which was outside its competence, the Expenditure Commission wished to draw
the attention of the General Commission to the various arguments reproduced in its Minutes.

It had been pointed out that a system of budgetary limitation might be very unfair, as
it did not affect capital invested in armaments and only related to credits which were allocated
each year. A further objection to this method was that it did not affect stocks.

On the other hand, those in favour of the system had pointed out that the method of
budgetary limitation and reduction made it possible to reach military activities which direct
limitation could not touch—for instance, military training in and outside the army, industrial
mobilisation and technical improvements which would greatly increase the power of weapons.
It had also been pointed out that budgetary limitation or reduction could never be more than a
supplementary method of disarmament.

With regard to the main task of the Expenditure Commission—namely, the examination
of technical possibilities of application—M. de Vasconcellos had already pointed out that it
had been possible to reach an almost general agreement regarding the principles which might
form the basis of any system of limitation.

The Commission had, however, been divided on the question whether all the technical
conditions necessary for applying the proposed system of limitation were at present fulfilled.
Most of the delegations which had expressed an opinion on this subject had replied in the
affirmative; a large minority, however, had contested the technical possibility of immediately
applying a system of limitation. The main difficulties which, in the opinion of this minority,
stood in the way of the immediate realisation of budgetary limitation were fluctuations in the
purchasing power and the present state of accountancy in certain countries.

Though it had proved impossible to reach a unanimous agreement on this point, unanimity
nevertheless existed as regards the technical possibility of a system of publicity of expenditure
effected in a manner to be laid down in the Convention, and supervised in the sense of Article 7
of the report by the Bureau of the Conference. 1 Delegations which were opposed to the
immediate application of the system of limitation were in favour of the system of publicity
which, if put into effect for a period of four or five years, would, in their view, also have the
advantage of proving whether the difficulties anticipated really existed.

There was agreement on the fact that publicity as recommended in the Technical
Committee’s report would already constitute a step forward. Most of the delegations were,
however, of opinion that a further step could be taken and that even in the first Convention
the aggregate expenditure on national defence could be limited.

M. PALMADE (France) said that the French delegation, in submitting its amendment
regarding the limitation of total expenditure, had laid down a principle without entering into
the methods of application. It had, however, mentioned in a footnote the documents which
described the technical possibilities of such application; these were the reports of the
Expenditure Commission and of the Technical Committee. The report of the experts drawn up
in 1931 already contained an annex which might be used as a definite framework for this
question.

In its amendment, the French delegation mentioned neither publicity nor supervision,
primarily because, in view of the unanimity attained in the Expenditure Commission, it
considered it unnecessary to revert to this point, and because, obviously, no limitation was
possible unless publicity and supervision were first admitted; limitation implied publicity
and supervision.

With regard to supervision, he wished, in the first place, to renew the statement he had
made in the Expenditure Commission regarding the fear which had been expressed that the
accounts of certain countries, and in particular of France, could not be produced in time.
France had already begun a procedure for making good the delay which had arisen through
the auditing of the war accounts. The French delegation had now been able to indicate the
methods by which it would produce accounts within the time-limits laid down.

M. Palmade took the opportunity of endeavouring to dissipate the fear that, if the closed accounts of all States were taken as a basis, this would involve delays. He pointed out that, in addition to Model Statements comprising figures entered in the closed accounts, there would also be Model Statements including the budgetary estimates. In other words, in addition to the auditing supervision, there would be preventive supervision, and, as the budget was progressively put into effect, the supplementary credits would also be published. In this way budgetary supervision was a factor of continuous observation and not of accidental observation. It was based on documents, and on documents which had a public character. If, therefore, these two considerations were united — i.e., continuous control on the one hand and control by means of public documents on the other hand — would it not be agreed that the means was provided of ascertaining any well-considered attempt at aggression? An attempt at aggression could only develop in the course of time, and continuous supervision was obviously one of the best means of discovering such a possibility.

M. Palmade thought this method of supervision possessed the characteristics of reciprocity and automatism which, according to recent statements made in the general discussion on supervision, were a subject of preoccupation for many delegations. But, as far as the French delegation was concerned, budgetary supervision was not solely supervision of armaments; with the same documents and by means of publicity, it would make possible the supervision of limitation, and it was this particular point which he wished now to develop.

As the President and the Rapporteur had said, this was a supplementary method of limitation; it had also, in his opinion, a particular value of its own. It was of a supplementary nature in the sense that it must form an integral part of an entire system of supervision and limitation; but it would give a guarantee that the States would not evade the other limits — namely, the direct limits which would have been fixed. The mechanism would work as follows: In the case of military activities which could not be reached directly and to which the Rapporteur had just referred; in the case, for instance, of military training in the army or in the reserves; in the case of the maintenance and construction of buildings; in the case of industrial mobilisation; lastly, in the case of that serious question of semi-manufactured goods and spare parts which, if accumulated in certain States, might enable the rules of direct limitation to be evaded, it would appear that budgetary supervision might be of great value in determining the whole of the limitations imposed within their framework and would prevent the States from evading the limits fixed. On the other hand, from the technical point of view, already mentioned by the President, this budgetary limitation would prevent measures of quantitative and qualitative disarmament inserted in the Convention from being neutralised by the search for technical improvements, as the General Commission had already pointed out in its resolution of July 23rd, 1932. In the case of budgetary limitation, it was not possible to improve the quality without at the same time diminishing the quantity, and the French delegation considered that this was very important from the technical point of view.

Of course, at the beginning of its application, the budgetary method by itself would not make it possible to touch stocks; but in time, as the effects of the Convention made themselves felt, budgetary limitation would slow down their renewal. Moreover, from the outset, at the time when the Convention came to be signed, it would be possible, in fixing the limits, to take into account the situation resulting for each of the States from the Conference's decisions. In this respect the budgetary method would supplement the other forms of limitation, and M. Palmade considered that its flexibility deserved emphasis, particularly in considering the situation of certain countries which, owing to an economic crisis which was still more acute than elsewhere, had seen their standard of living fall below the normal level. Taking into account the direct limitations placed on them by the Convention, the readjustment of their resources would then be rendered possible by adding an extra allowance to the indices calculated at the normal rate of the indices of the other countries. Here, again, the operation of the system seemed to leave a certain elasticity.

Apart from the supervision of expenditure, budgetary control also offered a technical means of supervising armaments themselves. In the case of effectives, which were placed under a special heading in the Model Statement, it was obvious that it would be quite easy to make sure that the expenditure indicated corresponded to the maintenance of the effectives whose figure was indicated in the Convention, since in each country the factors in the cost of upkeep of each soldier were known by the rates of pay and the distribution of personnel by arms and ranks; consequently, on the basis of the aggregate figures of expenditure on effectives, it was possible to follow the development of these effectives and hence to gain some degree of direct control.

In the case of material, too, it was possible in the different countries to gain a sufficient knowledge of prices per unit to determine whether the amount expended on the different kinds of material fell within the direct limits assigned in the Convention. A change in the respective proportions of the various categories of expenditure would provide the Commission with an indication revealing a change in the military organisation of a country; and, by the continuous observation of all these modifications and changes, a commission of budgetary supervision, as it gained more and more experience, could draw up definite statistics to enlighten the other commissions which would have to work on the factors of direct supervision.

1 See Documents of the Conference, Volume I, page 268.
The President of the Expenditure Commission had laid stress on the preoccupations as regards budgetary control to which the grave problem of variations in purchasing power had given rise. Was there not reason to fear that, at the present time, variations in purchasing power in the different countries would call for too frequent readjustments in the limits assigned in the Convention?

M. Palmade would merely point out that, in the first place, the trend of prices in the different countries—apart from very rare exceptions—seemed to have followed a uniform direction in the course of the last few years, and that, above all, the variations in purchasing power did not seem to him to call for frequent readjustments of limits, because variations in purchasing power did not immediately ipso facto involve a modification in the nominal amount of defence credits. Defence credits were, in fact, dominated by another consideration—that of budgetary equilibrium and revenue. Experience showed that revenue did not automatically follow variations in purchasing power, because in every country a very important proportion of revenue was based, not on the prices of commodities, but on their weight or volume, and did not follow the movement of prices. Hence, every fluctuation in purchasing power was not automatically followed by an increase in revenue and it must not be thought that every fluctuation in purchasing power would automatically and immediately involve a request for re-adjustment corresponding to this variation.

The French delegation considered that limitations of expenditure came within the scope of the resolution of July 23rd, 1932, adopted by the General Commission, which aimed at "lightening the financial burdens which weigh upon the peoples of the world". The French delegation agreed with the President and the Rapporteur of the Expenditure Commission that, in the eyes of public opinion and of the man in the street, such a limitation of expenditure would constitute the most tangible sign of the persevering efforts made by the Conference. Nor must it be forgotten that it was the eve of the London World Economic Conference and that, from the economic and financial point of view, any effort in the direction of limitation would be likely to produce a doubly salutary effect—on the one hand, from the psychological standpoint, and, on the other, from the standpoint of what might be termed fiscal machinery.

From the psychological point of view there could be little doubt that an idea such as this would create in the world that revival of confidence which was necessary to bring about a world economic recovery. Turning from a psychological to a more technical standpoint, it appeared to M. Palmade, and to many other people, that one of the essential factors in the present depression was the divergence observed in the majority of countries between the curve of wholesale prices and the curve of retail prices. Retail prices had not followed, or had followed at a different rate, the movement in wholesale prices, and it was this discrepancy between wholesale and retail prices that constituted one of the essential elements of the existing crisis. Among the factors explaining this disparity between wholesale and retail prices, one of the most important was the fiscal burden which was interposed between producers and consumers; this fiscal burden hung like a dead weight between wholesale and retail prices and constituted an essential element in this disparity. Consequently, a reduction in military expenditure—beginning with its limitation—would clearly be a factor which, quite apart from the psychological standpoint, would contribute in a purely mechanical way, by alleviating fiscal burdens, to the economic recovery which was the object of the London Conference.

Such were the reasons for which, in M. Palmade's opinion, the French delegation could not conceive of a true Disarmament Convention without budgetary limitation.

M. Antoniade (Roumania) wished, on behalf of the three delegations of the Petite Entente, in the first place to pay a tribute to the National Defence Expenditure Commission and its Technical Committee for the remarkable reports which they had submitted. Their duty had been a very difficult one, and they should be congratulated on the manner in which they had tackled the problems and overcome most of the difficulties. The delegations of the Petite Entente had helped, as far as they could, in this work. The complete documentation which they had submitted in good time to the Technical Committee had supplied valuable material for its report.

The delegations of the Petite Entente, as they had already stated, accepted the technical conclusions reached by the Special Committee. As regards the substance of the problem of limitation and publicity of expenditure, they had stated that they were not opposed in principle to the limitation of expenditure, provided account were taken of the resolution adopted on July 23rd, 1932, by the General Commission. That resolution was based upon Article 8 of the Covenant of the League of Nations and subordinated disarmament, by the indirect method of limitation of expenditure, to the special conditions of each State.

The delegations of the Petite Entente had added that they proposed to formulate and put forward, at a suitable moment, all the requests which Article 8 of the Covenant authorised them to submit. In renewing the same reservations, they now declared themselves willing to accept the insertion, in the first Disarmament Convention, of clauses relating to the immediate application of the principle of the limitation of national defence expenditure.

One of the advantages of the resolution of July 23rd, 1932, adopted by the General Commission, in which the principle of limitation was implicitly accepted, was the provision that account should be taken, in any system of limitation, of the special conditions of each State. The Technical Committee had, to a great extent, been guided by this idea. In Chapter
XIII of its report, point 5,\(^1\) it had inserted certain considerations which it felt should be taken into account, and which, indeed, called for the most serious attention. This was the case with the passage which stated that, in ultimately fixing the limits, account should be taken of expenditure relating to military activities which would not be subject to any special limitation.

Moreover, the restrictions should not prevent contracting States from ensuring the regular execution of programmes of manufacture or of construction of material, or from assuring the maintenance of material within the limits of the future Convention. The same principle must also be applied to the question of frontier defence. It would be remembered how much importance was attached by President Roosevelt, in his message, to defensive systems such as frontier fortifications and coastal defence. These systems, the President stated, would become impregnable if nations agreed to abolish the arms which guaranteed successful attack.

In the same paragraph of the report a further just and interesting consideration was to be found—namely, that the fixing of limits should enable the contracting States to provide their personnel and troops with an adequate standard of living, which, in accordance with the views of the delegations which M. Antoniade represented, should be equal to that of the highest.

The delegations of the Petite Entente attached particular importance to the question of expenditure resulting from the reduction of armaments. The judicious considerations contained in Chapter II (point 5 (b)) and Chapter XV\(^2\) must be interpreted in a wide sense in respect of their application to armies and navies which, for historical reasons, were still in the stage of development.

The delegations of the Petite Entente approved the principle inserted in the draft resolution submitted by the French delegation in so far as it confirmed the limitation of national defence expenditure.

Nevertheless, they considered that it would be fairer and more in accordance with the object in view, in the case of certain small- or medium-sized countries of which the conditions were peculiar, to consider the fixing, not of rigid figures, which were always more or less arbitrary, but of principles or general rules applicable to the expenditure which was to be limited.

The delegations of the Petite Entente, having declared themselves in favour of strict supervision of disarmament measures and appreciating the contribution which would be made by the publicity of national defence expenditure to the problem of the supervision of armaments, supported the system of publicity drawn up by the Technical Committee.

If the General Commission were prepared to admit the principle of the limitation of expenditure and to apply it in the first Convention which the Conference was to conclude, the delegations of the Petite Entente reserved the right to submit, at the second reading of this part, the specific requests which Article 8 of the Covenant authorised them to make.

Mr. Eden (United Kingdom) associated himself with the tribute which the President had paid to the members of the Technical Committee for their remarkable performance and for the valuable report with which they had furnished the Commission as the outcome of a year's assiduous effort. He felt that sincere thanks were due to them for that work.

At the present moment, the competent technical authorities of His Majesty's Government were studying with close attention, which it so well deserved, the admirable report of the Committee of Budgetary Experts. He therefore desired to reserve for the moment the final opinion of the United Kingdom Government on the principle of budgetary limitation. The Government felt, however, that, in all the conditions which the report revealed, it might be somewhat premature to declare here and now that it was practicable to put into effective operation at once a system of budgetary limitation. In this, as in other matters, it might be well to be guided by experience. There was perhaps a fortunate opportunity of applying this test. The experts had stated categorically in the report that the apparatus for applying budgetary publicity was precisely the same as the apparatus for applying budgetary limitation, although, of course, its incidence was less rigorous. Might it, therefore, not be a prudent and useful first step to decide to institute provisionally and at once, for a period of years, a system of budgetary limitation? Such a system would not only be useful and have value in itself, but it would, he believed, soon demonstrate, in a way which would be convincing to all, whether the hopes of the enthusiasts or the doubts of the sceptics as regards the practicability of budgetary limitation were better founded. He would not take either side at present, but he suggested that this method would before long enable conclusive decisions to be unanimously reached. In any event, it was his Government's present view that the benefits to be obtained from publicity should not be lost.

M. Bourquin (Belgium) first of all associated himself very warmly with the congratulations which had been offered to the Expenditure Commission and its President for the magnificent work they had done, and which would certainly prove to be of the greatest value.

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In general, M. Bourquin had refrained from speaking during this discussion at the first reading because the Belgian delegation’s attitude towards the United Kingdom plan was sufficiently well known. It had immediately accepted the compromise constituted by this draft, not only as a basis of discussion, but, as far as Belgium was concerned at any rate, as a basis for the first Disarmament Convention.

But the draft Convention, as it had been submitted and as the Belgian delegation had accepted it, by no means precluded the possibility of certain additions. The Commission now had before it two amendments by the French delegation which had precisely this end in view, the first having been defended on the previous day by M. Jouhaux and the second having just been submitted by M. Palmade. Without further examining the different aspects of the problem, M. Bourquin wished to say that the Belgian Government shared the preoccupations which had inspired the authors of these amendments. He agreed with them that, as regards the two points in question, the draft Convention should be supplemented and that the three-fold principle of publicity, limitation and supervision should be introduced therein as regards both the manufacture of and trade in arms and national defence expenditure.

At a previous meeting, the General Commission had discussed other amendments which had also been submitted by the French delegation and which aimed at perfecting the means of supervision to be placed at the disposal of the Permanent Disarmament Commission. M. Bourquin had been unable to attend the discussion, but he thought he need hardly say that the Belgian delegation also supported this proposal most warmly. All that was likely to consolidate the guarantees of disarmament and to throw more light on the operation of the Convention would always meet with the fullest support of his country.

M. DE MODZELEWSKI (Poland) thought that the problem at present before the Commission, complicated and arduous as it was at first sight, would gain in clearness and be considerably simplified if a retrospective glance was cast at the work of the National Defence Expenditure Commission and its Technical Committee.

Having attended the 140 meetings of the Technical Committee and some twenty meetings of the Expenditure Commission, M. de Modzelewski could vouch for the care and even meticulous attention with which this work had been conducted. It was this no doubt which had created in the minds of certain experts scruples and reservations which he thought greatly exaggerated. To all these reservations the report of the Expenditure Commission and of its Committee provided clear and just replies, which, as M. Antoniade had observed, took into consideration the special situation of every country.

These replies, while demonstrating that no human endeavour could claim to attain perfection, clearly indicated that, if a slight effort were made by States to modify certain administrative regulations, if a little goodwill were displayed in freely accepting some contractual clauses, and, lastly, if pessimism were not pushed to the point of anticipating perpetual financial catastrophes, the system of budgetary limitations could be applied immediately. As soon as certain work in progress had been completed, there would be nothing further, from the technical point of view, to hinder the normal operation of this limitation. Such was, indeed, the view of the majority of the Committee and of the Commission.

As regards the minority of the Committee and of the Commission, it consisted almost entirely, as one of its members had pointed out to the Expenditure Commission, of countries which could not be called “ rich ”—such countries had become extremely rare—but which had considerable financial resources. M. Lange had endeavoured to provide a very ingenious explanation of this state of affairs with the help of the theory of the subconscious mind. M. de Modzelewski thought, however, that it was already difficult enough to know the conscious minds of the delegates to the Disarmament Conference; to attempt to analyse their subconscious minds was a task from which even Dr. Freud himself might shrink.

Consciousness, subconsciousness, or unconsciousness mattered little. But the one thing which was certain was that, if States having more extensive financial resources followed the advice of their experts, public opinion would not hesitate to pronounce a very unfavourable judgment upon them, which, to say the least, would be deplorable. The chief point of difference between the opinions of the majority and the minority was not the principle of limitation itself, but the date of its application. Nothing, however, was more dangerous than to postpone for years the putting into force of limitation of expenditure, for this almost amounted to saying to States: “ Make haste and spend, for you only have four or five years freedom left ”. It was to be feared that countries would follow this indirect advice and would indulge once more in competition of expenditure on armaments.

What risk, on the other hand, was involved in the immediate application of budgetary limitation? Even accepting for a moment the minority’s view that technically the system was still imperfect, M. de Modzelewski had no hesitation in saying that it was better to have an imperfect system of limitation of expenditure than to leave States free to spend without limits, for it was through its application in different countries and in different conditions that year by year the system would grow more perfect. This was the crux of the present discussion.

1 See Minutes of the seventy-third meeting of the General Commission.
The intrinsic value of budgetary limitation was very great. It was a matter of common sense that, by limiting expenditure, armaments were limited. But it was chiefly in conjunction with other systems of limitation that this method would have its full effect, and it was for this reason that the Polish delegation supported it as an indispensable auxiliary system.

It was indispensable, for without it no other limitation of armaments would be effective. Being able to spend without limits, a State would always find a way of arming itself, and it must not be forgotten that the greatest danger would be to replace quantity of armaments by quality. What would be said of a man who, having a house with three doors, and wishing to keep out intruders, closed two doors, leaving the third open and hanging the keys of the other two upon it? On the basis of disarmament it was desired to construct an edifice of peace and concord; let the egresses of this sacred edifice be well guarded, and, above all, do not let the gorges of this sacred edifice be well guarded, and, above all, do not forget that the greatest danger would be to replace quantity of armaments by quality. What would be said of a man who, having a house with three doors, and wishing to keep out intruders, closed two doors, leaving the third open and hanging the keys of the other two upon it? On the basis of disarmament it was desired to construct an edifice of peace and concord; let the egresses of this sacred edifice be well guarded, and, above all, do not forget that the greatest danger would be to replace quantity of armaments by quality. What would be said of a man who, having a house with three doors, and wishing to keep out intruders, closed two doors, leaving the third open and hanging the keys of the other two upon it? On the basis of disarmament it was desired to construct an edifice of peace and concord; let the egresses of this sacred edifice be well guarded, and, above all, do not forget that the greatest danger would be to replace quantity of armaments by quality. What would be said of a man who, having a house with three doors, and wishing to keep out intruders, closed two doors, leaving the third open and hanging the keys of the other two upon it?

The German delegation hoped that, in the interval pending the second reading, an agreement could be reached on the introduction of publicity of national defence expenditure, and, for its part, it was ready to work towards such an agreement.

The continuation of the discussion was adjourned to the next meeting.
SEVENTY-SEVENTH MEETING

Held on Thursday, June 8th, 1933, at 10.30 a.m.

President: The Right Honourable A. HENDERSON.


The President informed the General Commission that a meeting of the Bureau had been held on the previous day. It had taken into consideration the amount of work that had to be done by way of negotiation before the text upon which the Commission would begin to work on July 3rd could be prepared and had agreed to meet on June 27th, and to do its best to place a revised text in the hands of the General Commission as early as possible after that date.

The negotiations were to be begun at once. They might be carried on partly at Geneva and partly in Paris, but they would certainly have to be carried on in London, in view of the fact that a number of the heads of Governments had to attend the World Economic Conference.

The President had also informed the Bureau that if circumstances demanded it—that was to say, if any very difficult point arose in connection with the negotiations—he would at once summon the Bureau to meet in London.

It should be understood that any committee that had work to do would continue, and it would rest with the chairman of the committee to decide when it should meet. That specially applied to such a committee as the Committee on Effectives. There was also a unanimous recommendation in the report before the Commission that the Technical Committee of the National Defence Expenditure Commission should continue its examination of the returns from the different States on the question of their budgets; it was only courteous that the later returns should be examined in the same way as the earlier ones. Steps would also be taken to obtain returns as early as possible from Governments that had not yet sent them in.


M. Westman (Sweden) reminded the Commission that, among the members of the General Commission, were many delegates who had attended the sessions of the Preparatory Disarmament Commission. Possibly they would remember, now the General Commission was discussing the budgetary method, a vote taken in the Preparatory Commission in November 1930 on a proposal submitted by the Italian delegation, which was as follows:

"The Commission considers that the best method for limitation of land material would consist in a combination of the two systems of direct limitation and budgetary limitation."

In addition to the Italian delegate, who had moved the resolution, eight others, in particular the delegates of Germany, the Netherlands and Sweden, had approved the text. The declaration was rejected by eleven delegations, among whom were several of those who were at present professing faith in a combination of the two methods. There had therefore been a considerable evolution in both directions on the part of those delegations. However, it should be noted that, if the budgetary method, as a supplement to direct methods, had lost some supporters, on the other hand, it had gained more. The Swedish delegation had not changed its attitude, nor, moreover, had the Netherlands and several other delegations.

What was the present position? In a number of decisions taken during the Disarmament Conference, the direct method had been accepted in principle as one of the bases of the future Convention. The problem that now arose was whether the Commission was prepared to supplement the direct methods by budgetary limitation. None of the problems examined by the General Commission had been studied so carefully and so thoroughly as that of budgetary limitation. M. Westman did not think it would be possible, at the present stage of the discussions, to bring forward any arguments for or against that method which had not already been weighed up on many occasions. He would therefore be brief, especially as the Swedish Minister for Foreign Affairs, M. Sandler, had indicated his delegation's attitude during the discussion in the Expenditure Commission.

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1 See Minutes of the forty-fifth meeting of the Bureau.
3 See Minutes of the sixth session (second part), page 92.
No one, M. Westman believed, would deny that the budgetary method—like any method of disarmament—was open to criticism. He must pay a tribute to the ingenuity that had been shown in exposing the defects of this method. That was useful and necessary criticism. M. Westman would venture to say that the General Commission could now act with full knowledge of the facts, and that all the weak points of the method had been disclosed. In the Swedish delegation's opinion, its merits were greater than its defects. The reasons why the Swedish delegation had been and remained a convinced supporter of the budgetary method and recommended its inclusion in the first disarmament Convention were the following:

In the first place, a disarmament Convention should take account of all the main elements in the national armaments. In addition to direct limitation, therefore, there should be an indirect method with a view to preventing an increase in and the improvement of the armaments allowed. In the second place, budgetary limitation, as had been said, made for economy. In the third place, it facilitated—and even in many cases alone made possible—the necessary international supervision of the execution of any disarmament convention.

Two objections in particular had been advanced against budgetary limitation. The first concerned the problem of accounting. But it seemed to M. Westman that these objections had to a great extent lost their force now that various delegations had formally declared that, in future, delay in the publication of accounts would be avoided. One of the duties of the Permanent Disarmament Commission would be to supervise the faithful performance of engagements undertaken in this respect. The other main objection related to the effects of monetary instability on the budgetary method. In this connection, however, there was reason to believe that the system by which the experts proposed to obviate that danger would prove adequate in practice.

During the first reading of the United Kingdom draft, which was nearly at an end, the Commission had been able to appreciate the number of defects and gaps in the text, the number of problems which must be held over. During the second reading, the Commission would do its best to make good these defects in the texts. No one could say to what extent it would succeed in that task. But, for his part, M. Westman would ask his colleagues to think carefully before abandoning the opportunities for relief and compromise which the inclusion of the budgetary method of limitation in the Convention would afford on many difficult points in the sphere of effective and in those of land material and naval matters.

The Swedish delegation therefore thought the budgetary method should be included, side by side with direct methods, in the first Disarmament Convention.

General Barberis (Italy) pointed out that the General Commission had to discuss two questions, one being the purely technical question whether it was possible to adopt the system recommended by the experts in 1930 and 1931. That question had been dealt with in the report of the Expenditure Commission; in that Commission the Italian delegation had adopted a very definite attitude, which it now confirmed. The Italian delegation did not think it would be possible at the moment to adopt that system; nevertheless, it did not object to the question being studied again, after some experience had been gained with publicity alone, to see whether the system was possible.

Moreover, the General Commission had on its agenda the much more important and general question, whether it was or was not desirable to include at once in the Convention a provision relating to budgetary limitation.

There was no objection to the discussion of that general question, although the other problem was, so to speak, a previous question.

The general question could quite well be discussed, however, on the supposition that, either at present or in four or five years' time, the system contemplated by the experts would become applicable, or, if it were acknowledged to be inapplicable, some other system would be found.

This was the first time this question had appeared on the General Commission's agenda, although it had been mentioned incidentally on several occasions in the speeches made in February 1932 and before the adoption of the resolution of July 23rd, 1932. The question had also been touched upon in the National Defence Expenditure Commission, which had gone somewhat beyond its terms of reference, as the General Rapporteur, M. François, had very clearly explained. In the Commission's Minutes, for instance, would be found several arguments for or against including a provision on limitation in the draft Convention. The volumes issued by the Preparatory Commission contained various opinions on the matter and from them it would be seen that many of those opinions had developed, not only those of the Italian delegation. General Barberis—desiring to take these opinions into account—had consulted the volumes issued by the Preparatory Commission and the Minutes of the General Commission and the Expenditure Commission. He had further noted the statements made on the previous day and had prepared a kind of table of arguments for and against inserting the provision in the Convention. He had counted five arguments in favour of limiting expenditure in the Convention, but two of them, when analysed with a minimum of logic, could not be regarded as real arguments but as mere words. One of these apparent arguments was that the insertion of a provision limiting expenditure would be a tangible sign of the will to disarm and would be most readily understood by public opinion. But could that provision
be regarded as useful? Could it be considered that the prestige of the Conference would be increased by the use in the Commission of the imperialistic phrase that it was necessary to strike the imagination of the peoples, a phrase in which was disguised the much more cynical proverb mundus vult decipi?

There was yet another argument which was not really an argument. Nearly all those who had spoken in favour of including in the Convention a provision for limiting expenditure had said of what a burden nations would be relieved if the credits devoted to armaments were reduced. It might have been thought that the insertion of a clause limiting expenditure was the sole means of reducing expenditure. The members of the General Commission were certainly unanimous in desiring this reduction—both those who were in favour of inserting the clause and those who were not.

General Barberis thought some confusion had arisen in the minds of many delegates between cause and effect. A doctor attending a sick person sought to cure, not the effects, but the cause of the disease. Expenditure was the result of armaments: if armaments were reduced there would be a direct reduction of expenditure.

If he might venture to lower the somewhat high tone of the discussion, he would take as an example the reduction of household expenses. If it were desired to reduce these expenses, the rent would first be reduced, and then food. That kind of expenditure could be compared to credits for effectives, for military, naval and air material. There was certain expenditure, however, which the mother of a family would never reduce—expenditure on medical treatment, to credits for effectives, for military, naval and air material. There was certain expenditure, on the health of her children, expenditure affecting the very lives of the members of the family. That expenditure could be compared to the expenditure on organisations for the defence of the frontiers, on fortifications, trenches with barbed wire, coast defence—in a word, on permanent fortifications, as indicated in President Roosevelt's message, which had met with such unanimous praise. And it should be noted that, up to the present, no delegation had proposed any reduction of defence organisations.

General Barberis concluded then that, of the arguments in support of the insertion of a provision limiting expenditure, the most widely held—the two to which he had just referred, that was to say "public understanding" and "the relief of the peoples"—were mere words and not real arguments.

Attention had then been drawn to another argument in favour of including in the Convention a system for limiting expenditure—namely, the ease with which supervision could be exercised by means of documents and not on the spot—the former being a less vexatious method. The only document in the Technical Committee's possession when it had dealt with that problem was M. Bourquin's report. General Barberis quite understood that, in any event, it would be necessary to adapt the supervision of expenditure to the general system of supervision as finally adopted. He felt obliged, however, to bring out two very important points. He drew special attention to the reservations appearing on pages 127 and 139 of the Technical Committee's report.1 There were two reasons why the supervision of expenditure was more difficult than the supervision of effectives and material: fluctuations in purchasing power and unforeseen and exceptional expenditure. As he did not desire to waste the Conference's time, General Barberis would not stop to explain the results of fluctuations in purchasing power. It had already been said that, instead of a fixed measure like the millimetre for the calibre of a gun, or the ton for the tonnage of ships, there was in this case only an elastic monetary unit. The experts had made investigations and studies and had prepared tables and documents with a view to seeing whether it would be possible for ensure respect for the limits laid down, the levels proposed, in the Convention, and they had come to the conclusion that nothing could be done in that direction, but that the matter must be referred to a living organism. Thus "contrôle", instead of being used in the French sense, as intended, assumed the English sense, which included a certain amount of "executive power". The same applied to unforeseen expenditure, so that there was no need for him to enlarge on that point. General Barberis was convinced that the argument that supervision would be easier if expenditure were limited rebounded on those who used it. In reality, it demonstrated that it would be better not to provide for the limitation of expenditure in the Convention. That was a point which might be discussed further.

Two other arguments had been adduced in support of limitation. One was that such limitation would prevent competition in quality. On that point there was no doubt; the argument was a very strong one. But when this advantage was mentioned, it was said that it would go so far as to prevent the manufacture of "detached parts" and the expansion of formations organised on a military basis. General Barberis must call the attention of the members of the Commission to these two points, because they were incorrect. Used in a very broad sense, "detached parts", if they included blooms and billets for cannons and shells, nitrates, national liquid fuel, etc., took one into the sphere of war potential, and here the Technical Committee had been very explicit. With the limitation of expenditure as studied in the Technical Committee, expenditure on war potential would not be affected. Each Power would be able to continue to do as it pleased in that direction. The Technical Committee had been still more modest about formations organised on a military basis. It had thought that, the question having been referred to the Committee on Effectives, the latter would indicate what was to be understood by formations organised on a military basis and that it

1 Document Conf.D.158, Volume I.
would thus be possible to define expenditure on these formations. The question was not yet settled. The only thing that could be said at the moment was that, technically, the problem was very difficult. Tremendous—almost insuperable—difficulties would be encountered, because the expenditure on these formations was not all made by the States. Certain private associations contributed towards it. In spite of these considerations, the most important advantage of the limitation of expenditure would in reality be to prevent competition in quality.

There was also another very great advantage in limiting expenditure: it would put an obstacle in the way of the manufacture of certain material not covered by direct limitation. M. Palmade had very rightly said, on the previous day, that in that way the intensiveness of military training could be diminished. Certain supplies, portable arms, exempt vessels, etc., would also be limited. But it must be remembered in this connection that the insertion in the Convention of a provision limiting expenditure would raise the great difficulty to which General Barberis had called attention when he had said that for the first time there would be introduced, implicitly, indirectly, a limitation of expenditure on defensive frontier organisations.

There were, therefore, five arguments in support of limiting expenditure in the Convention. General Barberis, however, had already shown that two of them were arguments in appearance only. Another was rather a reason for not embodying in the Convention any provision on the limitation of expenditure. Two of the arguments only had some force, but one was incomplete and the other would encounter a very great obstacle.

As to the arguments against including the limitation of expenditure in the Convention, the first was very important.

All the members of the Commission were in favour of reducing expenditure; but that was perhaps a reason why the provision in question should not be included. Indeed, if it did appear in the Convention, it would be necessary, in the first Convention, to fix the maxima for military expenditure at a somewhat high level. There would be the very real danger that each Power would spend up to the limit of its maximum. General Barberis pointed out that the experts who had been in favour of including the provision had said that it was absolutely essential to provide fairly high maxima, in the first paragraph, for a considerable number of technical reasons: purchasing power, programmes arranged, and so on. It was very natural that each Power should seek to exploit all the possibilities offered it in the Convention: it would spend up to the maximum fixed. A concrete example of this was furnished by the Treaty of Washington. The tonnage of ships had been fixed at 10,000 tons and the calibre of guns at eight inches. But it was found that, in certain navies, eight-inch guns had been invented in order to exploit to the full the possibilities offered, and that certain countries had constructed cruisers of 10,000 tons; there had been reason to regret the possibilities granted. The inclusion of a provision limiting expenditure with fairly high maxima—and, for practical reasons, it could not be otherwise—must give ground for thought, for it might possibly lead to higher expenditure than if no such provision were included in the Convention.

The question of stocks was also of very great importance. General Barberis would repeat that to limit expenditure was to attack the interest and not the capital, the dx and not the x. M. Palmade had said that, in time, these difficulties would disappear. But in how many years? And for how many years was the disarmament Convention now under discussion to be in force?

Finally, was this really a suitable time to fix a maximum, when the various articles of the Convention would compel the States to rearrange their armies to fix their naval programmes, etc.? Would there not be considerable technical difficulty in deciding how the needs of the armies and navies could be adapted to the figures of the disarmament Convention?

If supervision were added, there would be four arguments against the limitation provision, two or three of which were very strong. That was why he ventured to express certain doubts, to ask for time to consider the question, and to await the second reading before taking a decision.

The Italian delegation was neither for nor against including the limitation clause. It had stated very clearly that it had studied the question thoroughly and had found certain advantages and disadvantages. He had mentioned three of the latter. If supervision were added, there would be four arguments against the limitation provision, two or three of which were very strong. That was why he ventured to express certain doubts, to ask for time to consider the question, and to await the second reading before taking a decision.

The Italian delegation was neither for nor against including the limitation clause. It had stated very clearly that it had studied the question thoroughly and had found certain advantages and disadvantages. It believed that it would be better to await the second reading before taking a decision. There was one still more important reason for awaiting the second reading. There was a very close connection between budgetary limitation and certain other forms of limitation for which provision was made in the United Kingdom draft, in particular the limitation of material, stocks, and so on. After M. Palmade’s statements, it was, of course, understood that budgetary limitation was only a supplementary form of limitation, and that it was connected with the other forms. The details of that additional form of limitation could not usefully be studied until the other provisions relating to the principal forms of limitation were known. It was for these two reasons that the Italian delegation would not take up a position on the question for the moment, but it would certainly do its utmost, as it had always done, to study the problem with a view to arriving at a satisfactory result, that was to say, to arriving at a system of real disarmament and real reductions in military expenditure.
M. Sato (Japan) stated that the Japanese delegation also believed in the utility of the system of budgetary limitation as a method additional to direct limitation, whether it were applied to material or effectives. It approved the principle of limitation, but believed that the possibility of applying this principle depended, above all, on technical possibilities. The report submitted by the National Defence Expenditure Commission showed that it was unanimous regarding the possibility of publicity and the impossibility of the immediate application of limitation of expenditure on each of the three forces and of expenditure on land and naval material respectively, but that it was not unanimous as to the possibility of applying solely limitation of total expenditure. The Japanese delegation recognised, from an entirely impartial standpoint, the correctness of the reasons advanced against immediate application, and it attached importance to this fact. It therefore believed that it was technically impossible to apply immediately a system of limiting total expenditure. Accordingly, to his deep regret, he was unable to accept the French proposal, for the present at least. He thought it might be desirable to state on this occasion that the Japanese delegation was prepared to accept the system of supervised publicity.

M. De Madariaga (Spain) desired that this discussion on the limitation, publicity and supervision of military expenditure should not take place without the intervention of the Spanish delegation, since that delegation had, from the outset, been strongly in favour of such limitation. It thought limitation necessary, in the first place, because it was justified in itself, and that for two reasons: in the first place, because it affected one of the arms of war which might without exaggeration be qualified as essential. It was a truism to state that money constituted the sinews of war. If these sinews could be cut, a great step forward would have been taken towards the abolition of war. That would be direct limitation. The second reason had been admirably explained by M. Palmade; it was above all by the limitation of war expenditure that the nations would perceive that something had been accomplished. When the astronomical figures for expenditure on armaments were borne in mind, and also the fact that the nations had entered into the most solemn undertaking to refrain from warfare, it was both tragic and comic to devote the largest part of all the national budgets to the preparation and prosecution of what the nations had sworn not to do. Sums spent on education and public works were justified, because the State had obligations, but to spend large sums for a war which nobody wanted was pure folly. That folly must at least be reduced, since it could not be totally eradicated.

This limitation was further justified by indirect considerations, the most interesting of which was, perhaps, that the limitation of expenditure acted, to a certain extent, as a “counter-control”. It was well to supervise directly, but it was still better to supervise in every possible way. If expenditure were supervised concurrently with the control of material things, that mutual confidence on which, in the last resort, peace must depend would be fully achieved. M. Palmade had, once again, proved with skill that the indirect methods of financial supervision, which the limitation of expenditure made possible, would be the best way of strengthening the confidence which would be created by direct supervision.

The Spanish delegation thought further that the limitation of expenditure was indispensable, because it alone precluded excessive armaments. He particularly insisted on the fact that the publicity and supervision which might, at a pinch, have sufficed for “counter-control” would no longer be sufficient in the present case. Armaments were going to be limited, but history proved that, whenever for some reason, such as blockade, deprivation of raw materials, or anything else, certain methods of warfare had been limited, it had always been possible to get round the difficulty by improving the apparatus employed or discovering other and more effective methods. If quantity, power, calibre and tonnage were limited, it was almost certain—in fact, it was certain—that, by additional expenditure, the efficacy of the material which countries were still allowed to retain for war would be increased. Owing to this fact, the system would also remain an aggressive one. Great efforts had been made, in preparing this Disarmament Convention, to deprive systems of war of their aggressive nature. It was certain that the potentiality of the aggressiveness of armaments was to be found in the budgets. If budgets were not limited, armaments could never be deprived of their aggressive characteristic. Human ingenuity would bring back through the window the aggressiveness which had been banished through the door.

Finally—a reason which would delight the heart of every purveyor of obvious truths—the Conference had met to reduce armaments. Was it not even going to limit budgets? Was there something surprising in the fact that, after eighteen months of conference, it was being asked that the expenditure on armaments should be reduced?

As was previously he had heard M. Ousky, the talented chairman for so many years of the Supervision Commission, say that the League was in great financial difficulties, and recall the fact that Lord Balfour, in the League’s infancy, had stated that, if the League ever found itself in danger, it would be because certain countries did not pay the very small sums which the Geneva institution required of them. And now, could it be argued that it was not possible to limit budgets? It was in this connection that all the arguments could be advanced which he had submitted when he had asked that the more responsible countries should pay certain sums for the less responsible countries in order that the League might pursue its task free from financial anxiety. “Our Senate, our Chamber, would never vote an additional credit for the League”, he had been told; and yet it seemed that the nations were unwilling to limit those military and naval budgets which, in every country,
were a thousand times greater than the sums granted for the expenses of the League. After eighteen months of conference, when every farthing to be contributed to the budget of peace was being meticulously debated, the least the countries could do was to limit—he did not say reduce—the thousands of millions of dollars now being expended on armaments.

The objection had been raised that this was impossible because purchasing power varied. After thirteen years of work for disarmament, he had arrived at the unshakable conviction that there was no technical argument that prevented the realisation of disarmament. The technical arguments invoked were, as he had already said more than once, really political arguments. The question of purchasing power did of course raise a certain number of problems, but there were no insuperable obstacles. The problems could be settled by a technical committee appointed to apply budgetary limitation. A little help from financiers and statisticians would help in the solution of this very minor problem of purchasing power, which ought not to be so exaggerated as to obscure the true problem of disarmament.

The Spanish delegation therefore accepted the French proposal in its entirety. But it went without saying that, if the Conference should find itself unable—for reasons which it was not for him to judge and which he would refrain from criticising—to arrive at a unanimous decision in the matter of budgetary limitation, his delegation would accept publicity and supervision, all the more so in that the Committee which had worked on this question, under the enlightened guidance of its Chairman, M. de Vasconcellos, had not only given, as had been stated in the Commission a few days previously, the splendid example of having succeeded in reaching a unanimous agreement on many points and of having accomplished a perfect piece of work from a technical standpoint, but had done something even better; it had proved that movement was possible by itself progressing. It had demonstrated, by the manner in which it had worked during these eighteen months, how the supervision of budgets and expenditure would, if applied, operate, for, by the system of personal interviews with national specialist representatives and the system of highly meticulous and scientific questions addressed to these representatives, it had provided a living example, an object lesson, in regard to the mechanism which should be utilised, not merely in budget questions, but all other questions, in order that the international institutions could carry out these duties. He thought that, on the day when the supervision of military expenditure came into operation, it would be sufficient to follow the procedure adopted by this Committee. Its work should be taken as a sort of vade-mecum of the international disarmament inspector with regard to budgetary questions. It might almost be said with pride that this supervision had begun, even though the Disarmament Convention had not been signed.

The Spanish delegation would therefore like to see the French proposal accepted by the Conference. If that were not possible, it would accept the minimum proposed in the hope that, in the course of the next two or three years, the minimum would prove that the maximum was necessary. It was convinced that, in the matter of disarmament, the first consideration should be the necessity of transferring national questions to the international plane, and then transforming these questions by the creation of international institutions which would inspire confidence in all countries whether Members of the League or not.

Colonel Riazi (Persia) said that the Persian delegation, after carefully studying the report of the National Defence Expenditure Commission, was happy to note that, in these important questions, the Commission had really accomplished a useful task. When announcing its agreement in principle with the bases on which the Commission's enquiry had been conducted, the Persian delegation felt bound to point out that these principles could not be applied identically to great Powers and small without injuring States which were as yet inadequately armed. There were, in fact, two distinct categories of States: Powers saturated with armaments who had come to Geneva for reduction, and weakly-armed Powers who had only come for limitation. Though the former could accept limitation and even a reduction of expenditure, the latter could only do so after they had provided the forces allotted to them with all that was necessary for national defence, within the limits compatible with their security and not within the limits of their present possibilities.

If, therefore, the Conference agreed on the principle, the Persian delegation strongly urged that the application of that principle to weakly-armed Powers should be deferred in the first years and that these Powers should only be called upon to subscribe to publicity; that a liberal treatment should be accorded to them as regards a normal supply of service material, as regards stocks of material sufficient to counterbalance the weakness of their war industries, and credit sufficient to provide their frontiers and coasts with defensive fortifications recognised as indispensable, in the very spirit of material and moral disarmament and in that of President Roosevelt's message, which had been approved by the Conference.

Persia, which, as a result of the disbandment and re-organisation of her army, was in a very special position, could only complete her expenditure as and when her financial possibilities allowed. She could not therefore possibly supply her needs within the present budgetary limits. She could only accept budgetary limitation, if that were absolutely necessary, provided that limitation followed the lines of an ultimate maximum to be calculated by methods to be defined by the Commission, either according to the average cost of a soldier in each country, or by separating the current expenditure of a normal army from that necessary to supply it with materials and defensive fortifications.

Any other procedure would place weakly armed countries in a permanent state of inferiority and would consequently be contrary to the aim pursued—namely, disarmament with security.
M. Lange (Norway) emphasised the fact that the Commission had now before it a question which for years had been of very special interest to the Norwegian delegation. Since the very beginning of the League, during discussions on the problem of the reduction of armaments, the Norwegian delegation had always insisted on the importance of carefully studying whether and by what means expenditure on armaments could be limited. He was therefore very glad to note that this enquiry had now been made, and—he thought he might say—made in a masterly fashion.

He willingly associated himself with the tribute paid by so many speakers to M. de Madariaga, the distinguished President of the Expenditure Commission, and to its Rapporteur, M. François, who with so much knowledge and skill had succeeded in preparing a report which the Commission had adopted unanimously. Furthermore, it would not be right to pass over the names of three persons who had also contributed to achieve this remarkable result: the two distinguished and talented Chairmen of the Committee, M. Radulesco and Mr. Lyon, who between them had presided over more than 100 meetings of the Technical Committee, and the very competent Rapporteur of the same Committee, who was at present co-rapporteur for the Commission, M. Jacomet.

He had already had occasion to indicate in the Expenditure Commission the attitude of the Norwegian delegation on this point, and after M. de Madariaga's speech, he had no need to enter again into the details. He wished merely to say that it was absolutely correct, as General Barberis had pointed out, that the limitation of expenditure was not synonymous with the reduction of expenditure. Reduction of expenditure would be the consequence of other reductions, but limitation made it possible to ascertain what reductions had been effected by the States. It was therefore an indirect exhortation to such reduction in the various domains of armaments.

Since, at the present time, the discussion was not a technical one, as in the Expenditure Commission, but a political one, he wished to say that the Norwegian delegation firmly believed that the limitation of expenditure was an indispensable factor in any real work of disarmament. As M. de Madariaga had proved, without this means of surveillance, this method of supervising the progress of the efforts made by each country, the inevitable result must be further competition in armaments. Personally, he thought that this first Conference for the Reduction and Limitation of Armaments had been entrusted with two great tasks: the elimination of means of aggression and the prevention of all possibility of competition in armaments.

Objections were raised in the form of technical problems. He entirely agreed with M. de Madariaga that these problems should not be exaggerated. Above all, he earnestly begged the delegations of the Powers which were still hesitating to reflect on that aspect of the question which he might term a "sense of proportion." What was the alternative? If it were admitted that there were certain difficulties, a tenacious attempt should be made to overcome them and, for his part, he thought they could be overcome. Nevertheless, even if these difficulties were admitted as real, the alternative must be borne in mind, namely, the present state of affairs in which every State was free to increase its armaments. In face of this danger, he felt that, after due reflection, some thought should be given to the present situation of the world in order to see whether, on this point, some progress could be made in order to bring a little comfort to the hearts of men. He was certain that such progress could be achieved and was also sure that belief in its possibility was gaining ground. In this connection, there had been a slight change in the attitude of delegations who, in the Expenditure Commission, were still hesitating and who, in the General Commission that morning, had not been so categorical in their opposition.

He did not abandon all hope that, in the indispensable compromise which would be reached in the next few weeks as a result of the conversations carried on under the direction of the President, limitation of expenditure would figure as one means capable of calming public opinion, limitation both as a means of supervision and as a means for educating public opinion, which would be able to follow the movement of expenditure, its decrease or increase, while it could not follow the variation of all the elements of armaments in view of their technical character.

Mohamed Omer Khan (Afghanistan), following on the statement made by his delegation to the National Defence Expenditure Commission, desired to explain once more his Government's views regarding the budgetary limitation of military expenditure. The Afghan delegation did not underestimate the difficulties which most delegations would encounter in respect of the immediate application of this system. Consequently, it reserved its opinion on all the questions connected with the system of budgetary limitation.

M. François (Netherlands), Rapporteur-General, said that M. Jacomet, his co-Rapporteur of the Expenditure Commission, and he were very grateful for what had been said about the report. In the General Commission, as well as in the Technical Committee and in the National Defence Expenditure Commission, there was, in the first place, unanimity with regard to publicity and, in the second place, divergence of opinion with regard to limitation.
M. François had ventured to circulate the following draft resolution:

"The General Commission,

"(1) Entrusts the President of the Conference with the necessary negotiations with the various delegations, particularly those which have presented, or may present, proposals in respect of the limitation of national defence expenditure, and requests him to submit the results of such negotiations to the General Commission for discussion at its next session;

"(2) Decides that the first general Convention for the Reduction and Limitation of Armaments shall contain provisions as to the application of the principle of publicity of national defence expenditure, subject to international supervision by the organs to be created under the Convention;

"(3) (a) Requests the Technical Committee of the National Defence Expenditure Commission to prepare, if possible before the beginning of the next session of the General Commission, the necessary draft articles with annexes to give effect to the above decision, taking into account the recommendations contained in the reports of the Technical Committee (document Conf.D.I58) and of the National Defence Expenditure Commission (document Conf.D.I6I). It is understood that the texts drawn up by the Technical Committee might also be used should the Conference decide to apply the principle of limitation of expenditure;

"(b) Requests the Technical Committee to continue, in view of a universal application of a system of publicity, its examination of the documents transmitted by the various States;

"(4) Requests the Secretary-General, in accordance with the recommendation of the National Defence Expenditure Commission, to send an urgent appeal to all Governments who have not yet submitted the necessary documentation to do so without delay, in order to enable the Technical Committee to complete its work."

The purpose of the above resolution was to record that the principle of publicity was accepted and to ask the Technical Committee to prepare the draft articles required to give effect to that decision.

But the draft resolution had another object. There was no unanimity as to whether the principle of limitation could be applied immediately. However, from certain other suggestions made during the discussions in the General Commission and in the Expenditure Commission, it would appear that the possibility of a compromise was not excluded. It seemed that, to this end, the example set on the previous day in connection with the manufacture of arms should be followed, and that the President should be asked to get into touch with the delegations that had made known their views on the matter, and particularly with those which had presented or might present proposals relating thereto.

The draft resolution before the members of the Commission might perhaps be slightly amended. M. François proposed that the words "by the organs to be created under the Convention" in the second paragraph should be replaced by: "in the conditions indicated in the report of the Technical Committee of the National Defence Expenditure Commission".

Again, in paragraph (3) (a), the last sentence—namely: "It is understood that the texts drawn up by the Technical Committee might also be used should the Conference decide to apply the principle of limitation of expenditure", did not appear to be necessary and might be deleted.

M. Palmade (France) said that the French delegation would certainly not oppose the adoption of the draft resolution just read. It noted, however, that a distinction had been drawn between publicity and limitation, and the absence of any certainty that the principle of limitation could be included in the Convention. The Commission would understand that, in these circumstances, so long as the French delegation was not sure of the results of the negotiations to be undertaken by the President, it could not regard the draft under discussion—in which there was, in its view, so important a gap—as constituting the basis of the future Convention.

On the other hand, M. Palmade noted with the same satisfaction as M. Lange that some of the more serious objections raised most strongly in the Expenditure Commission appeared, during the present discussion, to have become considerably less. It seemed to M. Palmade that it was now felt that direct limitation was not of itself sufficient to deal with certain activities to which budgetary limitation could be applied and, on the other hand, that it was realised that, as the French delegation had said, budgetary limitation did not exclude the other forms of limitation, but was supplementary to them.

It seemed to M. Palmade—to deal briefly with a psychological consideration that had been advanced—that it would not be appealing in vain to world public opinion in the less desirable..."
sense of the word to say, at the moment when the London Conference was to meet, that a
place must be found for the limitation of expenditure. For that was one of the means by which
nations could be relieved of some of the burdens which overwhelmed that economic life the
London Conference would endeavour to renew.

M. DE VASCONCELLOS (Portugal), President of the National Defence Expenditure
Commission, desired to express his gratitude to those speakers who, by personal references
or references to the work of the Technical Committee and of the Expenditure Commission,
had shown a friendly attitude for which he thanked them.

He was convinced that all his colleagues on the Expenditure Commission and all the
members of the Technical Committee would appreciate an act of justice which he was about to
perform in mentioning the name of one who by his ability, his common sense and his impartiality
had succeeded in co-ordinating the views of all the experts in the excellent report of the
Technical Committee. M. de Vasconcellos was referring to M. Jacomet, Comptroller-General
of the Army, who had been the mainspring of the work.

General Barberis (Italy) asked whether a slight change should not be made in the first
paragraph of the resolution, which said that the General Commission entrusted the President
of the Conference with the necessary negotiations with the various delegations, particularly
those which had presented, or might present, proposals in respect of the limitation of national
defence expenditure. It seemed to General Barberis that, if possible, some wording should
be found to indicate that the President would enter into negotiations with all the delegations.
The Italian delegation was in a special situation, as it had stated that it was neither for nor
against the principle. It therefore desired that the resolution should lean neither to the one
side nor to the other.

M. François (Netherlands), Rapporteur-General, pointed out that, at the previous meeting,
a text had been adopted with regard to the manufacture of arms similar to that now submitted
on the limitation of expenditure. It said that the President should be entrusted with the
necessary negotiations with the delegations which might have any proposals to offer in respect
of the questions under discussion. That wording might therefore be utilised. It seemed to
him that the President would have some difficulty in negotiating with all the delegations.
M. François would prefer to leave the text as it stood, or to modify it in accordance with the
text adopted on the previous day with regard to the manufacture of arms.

The draft resolution was adopted in the following form: 1

"The General Commission,

"(1) Entrusts the President of the Conference with the necessary negotiations with

the various delegations, particularly those which have presented, or may present, proposals

in respect of the limitation of national defence expenditure, and requests him to submit

the results of such negotiations to the General Commission for discussion at its next

session;

"(2) Decides that the first general Convention for the reduction and limitation

of armaments shall contain provisions as to the application of the principle of publicity

of national defence expenditure subject to international supervision in the conditions

indicated in the report of the Technical Committee of the National Defence Expenditure

Commission;

"(3) (a) Requests the Technical Committee to prepare, if possible before the

beginning of the next session of the General Commission, the necessary draft articles with

annexes to give effect to the above decision, taking into account the recommendations

contained in the reports of the Technical Committee (document Conf. D.158) and of

the National Defence Expenditure Commission (document Conf. D.161);

"(b) Requests the Technical Committee to continue in view of a universal

application of a system of publicity its examination of the documents transmitted by the

various States;

"(4) Requests the Secretary-General in accordance with the recommendation of

the National Defence Expenditure Commission to send an urgent appeal to all Govern-
ments who have not yet submitted the necessary documentation to do so without delay
in order to enable the Technical Committee to complete its work."

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The President reminded the Commission that, at a previous meeting, he had presented five recommendations on behalf of the Bureau. Four had been accepted, but on the suggestion of M. Lange and M. Motta, it had been agreed that the fifth should stand over until the end of the first reading. He now put that recommendation, which was as follows, to the meeting:

"That the draft Convention submitted by the United Kingdom delegation and accepted as a basis of discussion by a formal decision of the General Commission should be accepted as the basis of the future Convention. This acceptance would be without prejudice to amendments or proposals submitted before or during the second reading, particularly as regarded additional chapters concerning the manufacture of and trade in arms and budgetary limitation."

He added that that was the unanimous recommendation of the Bureau, and he hoped the Commission would be able to accept it. It would be one of the most helpful actions it could take, in view of the opening of the World Economic Conference on the following Monday.

M. Aubert (France) said that the French delegation had already paid a tribute, on several occasions, to the value of the draft submitted by the United Kingdom delegation and had expressed its gratitude towards that delegation for having taken the trouble to express in detailed and definite form the principles that had been discussed in the Commission for several months. M. Aubert desired to point out that the first reading of the draft had brought out all its merits, but had also shown certain gaps.

The Commission was now invited to declare that the draft was no longer simply a basis for discussion but the basis of a convention. M. Aubert must humbly acknowledge that he did not altogether understand the distinction for, if the Commission had not felt that the draft could be used as the basis of a convention, it would never have opened the discussion, and vice versa. The motion now before the Commission, in which it was asked to say that it accepted the draft as a basis of the future Convention, naturally also said that amendments or additions could be made. The discussion would therefore continue.

M. Aubert stated, on behalf of the French delegation, that it attached the greatest importance to its own amendments. As M. Jouhaux had said on the previous day and M. Palmade that morning, the French delegation attached no less importance to the additions to be made to the draft Convention. It could not regard the draft as the basis of a convention so long as it did not contain, at any rate, the principle of limitation and supervision of the manufacture of and trade in arms, as well as the limitation and supervision of expenditure.

Subject to these observations, M. Aubert repeated that the French delegation had complete confidence in the United Kingdom draft and hoped that the discussions and negotiations to be entered into by the President would pave the way to a useful second reading.

The President pointed out to M. Aubert that everything he had suggested was provided for in the Bureau's unanimous recommendation. M. Aubert had said that there was little difference between accepting the draft as the basis of discussion and accepting it as the basis of the Convention. If the difference were so small, why need he object to the recommendation?

M. Fotitch (Yugoslavia) said that the authorised representatives of the Petite Entente had already expressed their views on several occasions with regard to the United Kingdom draft, not only at Geneva, but also recently at the first permanent council of the Petite Entente at Prague.

M. Fotitch could only confirm those views and state that, in principle, the delegations of the Petite Entente were prepared to accept the fifth resolution proposed by the Bureau. To make the position quite clear, however, he wished to say that, in the opinion of these delegations, the acceptance of the recommendation could not be held to exclude the discussion of any amendment that had been or might be submitted with regard, not only to the additional articles, but also to the chapters of the United Kingdom draft.

1 See Minutes of the seventy-second meeting of the General Commission.
Necmettin Sadik Bey (Turkey) said that the Turkish delegation accepted the United Kingdom draft as the basis of the future Convention, subject to the amendments it had moved and to those it would subsequently submit regarding either the draft itself or the two chapters concerning the manufacture of arms and budgetary limitation, which were to be added to the draft.

M. Lange (Norway) said that, as the President had done him the honour of attributing to him part of the responsibility for the fact that Resolution No. 5 proposed by the Bureau had not been adopted at the earlier meeting of the General Commission, he desired to say that, if he attached some importance to the question, it was because he considered that the adoption of that recommendation would constitute a declaration that the General Commission desired to draw up a convention. He would venture to add to his delegation's full acceptance of the President's interpretation of the draft resolution his sincerest hopes that the President's negotiations with the various delegations, during the adjournment of the discussions, would be most successful, so that the Commission could meet again in several weeks' time with a prospect of achieving tangible results. M. Lange hoped that the Commission, putting on one side theoretical discussions, would then enter into the domain of practical decisions.

The President assured M. Fotitch that his position was covered by the recommendation. There would be no restrictions, and the recommendation made definite provision with regard to both private manufacture and budgetary limitation, so that it would be open to any delegation to raise questions relating to these two subjects during the second reading. No one could say that morning what was really the position with regard to budgetary limitation. No vote had been taken: the question was open, and, if the French delegation wished to raise questions during the second reading, and could obtain a majority therefor, their proposals would be included in the Convention.

The President hoped, therefore, that after the very full explanation he had given, all rights being reserved where necessary, the Bureau's recommendation would be accepted unanimously.

The Bureau's recommendation was unanimously adopted.


Section II. — Material: Chapter 2, Naval Armaments and Chapter 3, Air Armaments: Statement by M. Sato with regard to Aircraft-carriers and Bombing from the Air.

M. Sato (Japan) pointed out that, during the general discussion on the chapter on air armaments in the United Kingdom draft, which had taken place on May 27th, 1933, the Japanese delegation, having been unable to take part, had asked the President to allow it to express its views on the matter before the end of the first reading. It felt it must take up a position with regard to this serious problem and give the Commission the reasons which, in its view, justified its attitude. It would consider the problem as a whole from the aspect of its national defence, and, in so doing, would place frankly before the General Commission certain difficulties it was experiencing with regard to this important problem, certain considerations which it must bring forward as a precautionary measure.

The Japanese delegation had followed the extremely important debates which had already taken place on this question, during which most of the speakers had urged the abolition, pure and simple, of bombing from the air, while other delegations, stating that they were in favour of its abolition, desired to make it dependent upon certain conditions. To agree at once to the abolition of bombing from the air, as the former speakers recommended, would be a noble and praiseworthy gesture, but was there justification for reproaching the prudence of those, among them the Japanese delegation, who could only agree to its abolition on certain conditions that were necessary owing to their special situation? The Japanese delegation also could accept the complete prohibition of bombing from the air, if it were freed from certain apprehensions with regard to its national security. To that end, it would be necessary, in the first place, to provide for the total abolition of aircraft-carriers and the absolute prohibition to equip war vessels with landing-bridges or platforms, and, in the second place, to draw up an agreement capable of effectively preventing the use of civil aircraft for military purposes in time of war. In view of the technical improvements which were constantly being made, and of the facility with which civil aircraft could, when necessary, be used for military purposes, it was inconceivable that, when dealing with questions relating to air armaments, and more especially bombing from the air, no account should be taken of the use to which civil aircraft could be put in time of war. As long, therefore, as no measures had been taken to prevent civil aircraft being put to such dangerous uses, any country whose civil aircraft was still in its infancy would have every reason to fear the possibility of aerial bombardment by the aircraft of other

2 See Minutes of the sixty-seventh and sixty-eighth meetings of the General Commission.
countries whose civil aviation had already reached a certain degree of technical development. The United Kingdom draft had, to some extent, allowed for these considerations, but only inadequately. As, however, much had already been said on this second point, M. Sato thought it unnecessary to dwell upon it. He would therefore confine himself to dealing with the first point.

Japan was an insular country made up of islands of various sizes, and its hinterland was not sufficiently extensive to enable it to shelter from attack the institutions and undertakings indispensable to its national existence. It was therefore extremely vulnerable and entirely at the mercy of aerial attack from the sea. The most dangerous of the aerial attacks to which the country was exposed were beyond question those delivered by aeroplanes transported on board aircraft-carriers and similar vessels of war. These mobile floating islands carried a considerable number of aeroplanes in constant readiness for destructive action. Thanks to their extensive range of action, their speed and the reconnaissance work done by the planes which they carried on board, they could easily get within range of their objective at a strategical point and at the appropriate moment for launching carefully conceived attacks of a most dangerous character. If it were further realised that, thanks to the characteristics mentioned above, such aircraft-carriers, and other vessels of war of a similar type, were capable of undertaking isolated operations independently of the main body of the fleet to which they belonged, their specifically offensive character would be even more obvious. Such being the case, this class of attack was extremely difficult to foresee and to ward off. They were surprise attacks in the most complete sense of the term, and the panic which they would not fail to disseminate amongst the civil population would be much more acute than the disturbances which might follow aerial attacks by aircraft attached to land bases.

The previous year, the majority of the delegations on the Air Commission had described aircraft-carriers as the most offensive type of armament, the most effective against national defence and the most dangerous for the civil population. The United Kingdom draft, however, entirely ignored the question whether this arm, generally regarded as the most offensive, should or should not be abolished. M. Sato considered that, in due course, the problem of these vessels of war would have to be examined in detail, and he took that opportunity of stating that the Japanese delegation attached the greatest importance to the final solution of the problem.

It might, perhaps, be objected that, if bombing from the air were entirely prohibited, as had been proposed, his apprehensions would disappear. Such an argument might appear quite conclusive to the general public, but the problem was not as simple as at first sight appeared. M. Sato ventured to remind the Commission that, when the question of chemical warfare had been raised, the Japanese delegation had, on several occasions, stressed the necessity of prohibiting such warfare absolutely and without exception. His reasons for thus carrying his argument to its logical conclusion were that his delegation had considered, and was still convinced, that if, while prohibiting chemical warfare in general, the use of chemical weapons was tolerated in case of reprisals, that would inevitably entail the preparation of such arms in time of peace and would represent a strong temptation to belligerents to have recourse to them as an instrument of war. The Japanese delegation considered that such weapons were even more repellent than the air arm, because the danger to civilians would be no less serious than the danger to combatants, and because there was infinitely less discrimination with regard to objectives than in the case of bombs dropped from the air.

At the time when the Bureau had discussed this problem, the majority of the members—unless he was mistaken—had not supported the point of view of the Japanese delegation and had accepted both the use of gas in case of reprisals and also the preparation of material and the training of personnel for defensive purposes. Why? Simply because they could not be entirely confident that the provisions relative to the prohibition of the use of gas would be respected in all circumstances without exception. It was true that, when the General Commission had discussed the question of chemical warfare recently, 1 M. Sato had noted with great satisfaction that a highly gratifying reaction had set in against the idea of reprisals, an idea which found its place in the United Kingdom draft. But that draft also legalised the preparation of material and the training of personnel for purposes of defence. If such were the case, the Japanese delegation’s argument still held good, and M. Sato was bound to recognise that the possibility of an infringement was still feared and provided for.

The method of warfare in question was the most terrible and the most inhuman in existence, and had been condemned by the entire world. Nevertheless, it had been deemed prudent to provide for cases of infringement of the prohibition which had been described as “absolute”, and stipulations had been drawn up in order to meet the dangers which such infringements might involve. Such being the case, was it just to criticise the Japanese delegation for saying that, as long as there were vessels of war carrying aircraft on board, the danger, on which it had already dwelt at sufficient length, would remain? Such vessels were heavily armed. They could carry guns of 203 mm. (eight-inch) calibre like the highly powerful cruisers of sub-category A. Their tonnage might amount to as much as 27,000 tons, and their speed might exceed 30 knots. Their only vulnerable point was their broad landing-deck, which was exposed to attack from the air. Bombing from the air was one of the most effective means of preventing such vessels from doing their evil work, and the Japanese delegation would find it difficult to forego this means of defence without an adequate return.

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1 See Minutes of the seventy-first meeting of the General Commission.
With important political, industrial and commercial centres near the coast—and these
cities consisted to a large extent of easily inflammable buildings—the complete prohibition
of bombing from the air would no doubt be desirable from Japan's point of view. On account,
however, of the above-mentioned considerations, Japan could not forgo this effective means
of defence until the abolition of aircraft-carriers, the maintenance of which was, moreover,
highly costly, was accepted, and he hoped that such would be the case in the near future.
This was a highly paradoxical position, but it was nevertheless the logical and inevitable
outcome of Japan's requirements in the matter of national security.

The Commission was no doubt aware that the Treaty of Washington had placed certain
limitations upon aircraft-carriers, that eye of the fleet which made it particularly offensive.
The Treaty of London, however, had made no material contribution in the matter of the
limitation, whether qualitative or quantitative, of aircraft-carriers. In connection with
the Treaty of London, to which he had just alluded, M. Sato said that he was unable to refrain
from drawing attention to the unfortunate results which had followed its conclusion.
That Treaty, which was the outcome of long and laborious negotiations, should have brought
tranquillity to all the signatory countries. But, contrary to what they were entitled to expect,
its result had been to create an atmosphere heavy with uneasiness and apprehension. Its
conclusion had indeed been followed on every side by inflammatory speeches not at all
calculated to tranquillise the minds of the peoples concerned. M. Sato could therefore claim
that the feeling of security in the various countries had not been enhanced as a consequence of
the 1930 Naval Conference. Such a situation made it necessary to review the position and
to hesitate before taking a decision as important as the one now in question.

Such were the considerations which the Japanese delegation had desired to lay before the
General Commission with regard to the problem of bombing from the air. Though that
delegation found it difficult in certain respects to accept at once the principle of the abolition
of bombing from the air, it was, it need hardly be said, always prepared to help to devise and to
adopt any measures capable of eliminating the risks which armaments of all kinds might entail
for civilians. It was for that reason that, at the twenty-fourth meeting of the General
Commission on July 21st, 1932, his delegation had given its wholehearted support to the
absolute prohibition of aerial attacks upon civilian populations.

In conclusion, M. Sato thanked the President for having afforded him an opportunity
of stating the Japanese delegation's point of view with regard to this problem, and added that
his observations with regard to aircraft-carriers had been prompted solely by considerations of
Japan's national defence, which were the result of the insular position of his country; his
remarks were not intended to refer to any specific case whatsoever.

SEVENTY-EIGHTH MEETING

Held on Thursday, June 8th, 1933, at 3.30 p.m.

President: The Right Honourable A. HENDERSON.

143. DRAFT CONVENTION SUBMITTED BY THE UNITED KINGDOM DELEGATION: ¹

PART II, DISARMAMENT (continuation).

SECTION II.—MATERIAL: CHAPTERS 2 AND 3.—NAVAL ARMAMENTS AND AIR ARMAMENTS:

STATEMENT BY M. SATO WITH REGARD TO AIRCRAFT-CARRIERS AND BOMBING FROM THE AIR:

GENERAL DISCUSSION.

Mr. Wilson (United States of America) said that at the last meeting M. Sato had made
a most important declaration. It was a declaration of such a character that it obviously
represented careful consideration and ripe reflection on the part of his delegation. The
Commission would appreciate that the observations which he (Mr. Wilson) could offer would
not be the fruit of such mature consideration and reflection, but would merely be a brief
statement of the thoughts that came to him as he listened to M. Sato's statement.

In relation to the joining of the question of the abolition of bombardment from the air with
that of aircraft-carriers, he would offer two kinds of consideration, which might be divided into
technical and general.

The United States delegation had often stated—and many others had been of the same
mind—that the draft Convention submitted by the United Kingdom delegation represented a
very balanced whole. The Commission had accepted this draft as the basis of the

¹ See Minutes of the General Commission, Volume I, page 171.
Convention, and the United States delegation had done so in spite of the fact that there were many points on which it wished that the Convention had gone further. Nevertheless, it felt that the draft offered an opportunity for the immediate realisation of a big step in advance and an immediate reduction of armaments.

His uneasiness in bringing up a matter which, in effect, opened up the whole naval chapter of the United Kingdom draft was that it might involve a discussion which would be very much prolonged and which would very much delay the realisation of this immediate step forward.

The problem of bombing from the air was essentially a problem of land operations. The abolition of such bombardment was more intimately connected with many other technical aspects of warfare than with this one aspect of naval warfare—namely, the aircraft-carrier. He feared that, if the abolition of bombardment were made contingent upon this one technical aspect of navies, it would becloud the issue and lead away from the real problem confronting the Commission.

With regard to the general aspect of the matter, the problem of bombardment was a mighty thing in itself, and its abolition would be one of the most important steps that this Conference could take. He was persuaded that the peoples of all countries would regard this one act of the abolition of bombardment as giving them the greatest measure of re-assurance and of comfort that could possibly be given in any one act. He hoped that, in the period between now and the resumption of the discussions, the Japanese Government would reflect upon the mighty nature of the step which the abolition of bombardment would represent, and would endeavour to look at the problem from its broadest aspect and not from one technical feature of it.

He might add in this connection that the technical features of the abolition of bombardment from the air were features which concerned every nation represented in the Commission in greater or less degree and on one point or another of their armaments. The concern which the Japanese delegation felt was not peculiar to it alone: it might be in this particular phase, but it was not in general. This concern had, however, to be waived in view of the greater good which would be accomplished by the complete abolition of bombardment.

In his declaration, M. Sato cast doubts on the utility of the Treaty of London, which, he believed, far from causing the appeasement which would have been expected to the peoples of the countries who signed it, had caused apprehension. Mr. Wilson confessed that this idea was so new to him that he did not want to go into it very deeply at this moment and without more mature consideration. He might add, however, that it was always difficult to single out any one factor as the cause of uneasiness in an international situation, and it was possible that the apprehensions of which M. Sato spoke might have arisen from other causes equally well as from the Treaty of London.

Mr. Carr (United Kingdom) said this was obviously not the time or the place to embark upon a discussion of the important statement which the Japanese delegate had made at the previous meeting, and, like Mr. Wilson, he had not had the time for reflection and consultation which would obviously be required before a detailed and considered reply could be made. In view of the remarks made by the United States delegate, he felt that he too, as representing one of the countries bound by the Washington and London Treaties, ought not to pass altogether in silence the references to those treaties made by M. Sato.

In regard to the general character of those references, he did not think he need add anything to what Mr. Wilson had just said, and he would like to confine his few remarks to another and perhaps more immediately practical aspect of M. Sato’s statement.

He did feel, if he might say so, with all due respect to the Japanese delegate, that, at this stage of the Disarmament Conference which had now been reached, it was a rather doubtful policy to strive to come nearer to an agreement on one chapter of the Convention at the expense of achieving agreement on another chapter more difficult and more remote. M. Sato had stated at a previous stage of the first reading debate that any amendments put forward by Japan would not be of a nature to affect the structure and still less the existence of the London and Washington Naval Treaties. The United Kingdom delegation had welcomed that statement, and had not the slightest doubt that the Japanese Government would continue to act in that spirit. It fully realised, and had no desire to underestimate, the importance of the question of aircraft-carriers, and it entirely realised the legitimate interest which Japan took in that question; but he would venture to remind the Commission that there was an article in the draft Convention—Article 33—which provided that it would be the duty of the Disarmament Commission to examine all the technical naval questions which would, in any event, have to come up for reconsideration in 1935. He had himself no doubt, and he did not think anybody else had any doubt, that these points included the Japanese proposal for the abolition of aircraft-carriers, and this proposal would then have to be examined most carefully in all its bearings. As however the discussion of this proposal at the proper moment was already fully provided for Mr. Carr confessed that it would seem to him a matter for regret if it should be introduced at the present moment to complicate the quite different issues which were involved in Article 34 of the United Kingdom draft.