M. STARZENSKI (Poland), replying to the remarks of the United Kingdom and French delegates, said that the measures taken by his Government were considered to be fully effective. Although it was a question only of recommendations, the real scope of the measures was much wider. Moreover, he proposed to submit the text of the circular issued by the Ministry of Industry and Commerce, and, if the Sub-Committee thought that text did not offer sufficient guarantees, he would communicate to his Government the wish that had been expressed in order that it might consider how far allowance could be made for the observations that had been offered.

Mr. BRITTAIN (United Kingdom) declared himself satisfied with the Polish delegate’s promise to inform his Government of the wish that had just been expressed regarding the transformation of the recommendations into legal obligations.

Portugal.

The Sub-Committee noted that Portugal’s reply had not yet been received.

Mr. LOVEDAY, Secretary of the Co-ordination Committee, states that M. de Vasconcellos had informed the Secretariat verbally that Portugal had accepted Proposal II and had sent a written reply on October 31st.

Denmark and Turkey.

The Sub-Committee noted that the Governments of Denmark and Turkey had announced that some of the measures recommended required the granting of the necessary powers by vote of their respective Parliaments.

It was decided to mention in the report the special situation of certain countries in this respect.

The Sub-Committee then drew up the provisional text of the draft resolution to be appended to the report to the Committee of Eighteen.

SECOND MEETING.

Held on Friday, November 1st, 1935, at 3.30 p.m.

Chairman: M. BIBICA-ROSETTI (Greece).


The Sub-Committee examined the draft report drawn up by the Secretary on the basis of the decisions taken at the previous meeting.

Mr. LOVEDAY, Secretary of the Co-ordination Committee, confirmed the receipt of the reply from Honduras. He pointed out that Portugal’s reply had been given verbally by the Portuguese Government’s delegate at Geneva. As, however, the statement had been made at a meeting of the Committee of Eighteen, he suggested that it should be taken as an acceptance, and that a footnote should be added to the effect that, of the countries that had already taken or were taking measures, one had given its reply verbally.

This proposal was approved.

The Sub-Committee proceeded to consider the sub-section concerning the United Kingdom.

M. PROTITCH (Yugoslavia) recalled the observations he had submitted at the previous meeting, and asked that the Sub-Committee should quote, in that part of the report, not only the sentence from Article 4 of the Order-in-Council, but also the relevant passage in the Explanatory Notice issued by the Treasury.

Moreover, he had understood that the Sub-Committee’s intention was to refer the question to the Committee of Eighteen. If that was so, the Sub-Committee should not merely draw the Committee’s attention to the question, but should rather refer it to the Committee.

1 Document No.: Co-ordination Committee 157(a).
2 Document No.: Co-ordination Committee 139(a).
3 Document No.: Co-ordination Committee 176.
Mr. BRITTAIN (United Kingdom) did not think that the Explanatory Notice added anything to what had already been said in the official text. The Explanatory Notice had no legal value.

M. PROTITCH (Yugoslavia) agreed that that was so, but observed that the Explanatory Notice afforded valuable guidance to other countries in regard to the official interpretation of the Order-in-Council by those applying it. For those reasons, he emphasised the necessity of quoting the relevant passage from the Explanatory Notice and, in particular, the words underlined.

Mr. BRITTAIN (United Kingdom) thought the main point to be settled by the Committee of Eighteen was whether clearing agreements did or did not cease to be in force as a result of the application of financial and economic sanctions. He did not, however, oppose M. Protitch's request.

The Sub-Committee decided to add to the sub-section concerning the United Kingdom a sentence to the effect that the scope of the reservation contained in the final paragraph of Article 4 of the Order-in-Council had been defined in an Explanatory Notice, the terms of which would be cited.

The Sub-Committee proceeded to consider the passage relating to Chile and Finland, and decided to hear the representatives of those two countries.

M. DE PORTO SEGURO (Chile) explained that he had no information from his Government with regard to any reservation in respect of Proposal II. The Chilian Government's reservations related to Proposals III and IV. He would, however, ask his Government for further information on the subject.

On the proposal of Mr. ANDREWS (South Africa), it was decided to apply in writing to the Chilian delegation for further information.

M. HOLSTI (Finland) explained that exports of Finnish products were made through special organisations. The Government had made arrangements with these organisations for the cessation of the credit transactions to which Proposal II related, and the transactions in question had come to an end some weeks before.

With regard to credits in the form of goods, there had been nothing of the kind for some time past.

The Sub-Committee decided to omit the sub-sections relating to Chile and Finland.

The Sub-Committee asked the Norwegian delegation for its views on the sub-section in the draft report relating to Norway.

M. MASENG (Norway) said the sub-section accurately described the situation. The Norwegian Government had had some difficulty in taking an immediate decision on the measures to which point (4) related, in view of the very close interdependence between this paragraph and economic sanctions.

The Sub-Committee approved the sub-section on Norway.

The Sub-Committee further decided to omit the passage concerning the special position of Panama, in view of the fact that the Committee of Eighteen had already taken note of the latter country's reply.

Mr. BRITTAIN (United Kingdom) observed a certain analogy between the cases of Chile and Finland and that of Poland. While apologising for once more raising the question, he wondered whether it would not be desirable to draw the attention of the Committee of Eighteen to the Polish reply to the first two points of Proposal II.

M. Wszelaki (Poland) referred to the observations made by the Polish delegation at the previous meeting. The circular under which the measures announced had been taken would shortly be communicated to the Sub-Committee, and it would then be found that those measures went far beyond the scope of mere recommendations. The Polish Government had, moreover, assumed, vis-à-vis the League of Nations, responsibility for the effective application of the financial sanctions for which Proposal II provided. The detailed arrangements for the application of those measures must be left to the Polish Government. The actual position was that the measures proposed in points (1), (2) and (5) of the proposal could only be purely theoretical.

The Polish delegation would not fail to inform its Government of the exchange of views held in the Sub-Committee on the subject.

M. PROTITCH (Yugoslavia) remarked that Poland had not even announced her acceptance in principle of points (1), (2) and (5) of Proposal II, but had merely stated that the de facto situation was not such as to call for special measures. There were many countries in the same case. As a matter of purely legal form, it could not be said that the Sub-Committee was interfering in Poland's internal affairs by asking for acceptance of those measures.

Nor was it sufficient to mention the countries which had accepted and to invite the others to take the necessary steps. The draft resolution should contain a recommendation of new measures to supplement existing provisions where the latter appeared inadequate.
M. Wszelaki (Poland) had no objection to including in the draft resolution a passage in general terms inviting Governments to comply with points (1), (2) and (5) of Proposal II.

The Sub-Committee decided to amend the original text of the draft resolution in the sense suggested by M. Protitch and M. Wszelaki.

It decided further to omit the passage relating to the special position of certain Governments not possessed of the powers required to impose penalties by a mere decree without a Parliamentary vote.

Lastly, it decided to send a request for information to the Venezuelan delegation, framed on the lines adopted for the request to Chile.

The draft report as a whole was adopted.

---

¹ For final text of the draft report, see Minutes of the Committee of Eighteen, second session, fifth meeting, page 43.