LEAGUE OF NATIONS

DISPUTE BETWEEN ETHIOPIA AND ITALY

Co-ordination of Measures under Article 16 of the Covenant

MINUTES OF THE FIRST SESSION OF THE COMMITTEE OF EXPERTS

(Appointed under the terms of the Resolution adopted by the Committee of Eighteen on November 6th, 1935)

OFFICIAL JOURNAL (Special Supplement No. 147).

Erratum

Page 34: The following corrections should be made in the record of Mr. Stevenson's remarks:

First Intervention:

Paragraph 2 should be modified to read as follows:

"A communication had been addressed to the Secretary-General regarding their application in the Sudan".

Paragraph 5 should be modified to read as follows:

"With reference to China, measures would be taken to ensure that the Chinese Government's decisions in regard to the application of sanctions should apply to British subjects resident in China. Special regulations on the matter might have to be introduced later."

Second Intervention:

The whole paragraph should be modified to read as follows:

"In reply to questions put by Mr. Loveday, Mr. STEVENSON (United Kingdom) explained that there were now no British leased territories in China, but there were British as well as International Concessions. The measures to which he had referred would apply in general to all British subjects resident in China."
I.

COMMITTEE OF EIGHTEEN

MINUTES OF THE THIRD SESSION

December 12th to 19th, 1935.

II.

COMMITTEE OF EXPERTS

(appointed under the Terms of the Resolution adopted by the Committee of Eighteen on November 6th, 1935)

MINUTES OF THE FIRST SESSION

November 27th to December 12th, 1935.
CONTENTS.

NOTE BY THE SECRETARY-GENERAL .......................................................... 5

Minutes of the Third Session of the Committee of Eighteen.

FIRST MEETING, December 12th, 1935, at 4.15 p.m.:
1. Joint Efforts by the Governments of France and the United Kingdom with a view to the Settlement by Conciliation of the Dispute between Ethiopia and Italy 7

SECOND MEETING, December 13th, 1935, at 4 p.m.:
2. Examination of the Report submitted by the Committee of Experts to the Chairman of the Co-ordination Committee ..................... 9
3. Adjournment of the Committee of Eighteen ........................................ 10

THIRD MEETING, December 19th, 1935, at 6.15 p.m.:
4. Transmission to the Committee of Eighteen of the Resolution adopted by the Council of the League of Nations on December 19th, 1935: Procedure to be followed 11

Annex: Report of the Committee of Experts to the Chairman of the Co-ordination Committee 12

Minutes of the First Session of the Committee of Experts.

LIST OF EXPERTS APPOINTED TO ASSIST THE CHAIRMAN OF THE CO-ORDINATION COMMITTEE 19

FIRST MEETING, November 27th, 1935, at 11.15 a.m.:
1. Opening of the Session ........................................................................ 20
2. Election of the Chairman ...................................................................... 20
3. Publicity of the Meetings ...................................................................... 20
4. Appointment of Sub-Committees .......................................................... 20

SECOND MEETING, November 29th, 1935, at 3.30 p.m.:
5. Examination, with the Assistance of Representatives of Various Governments, of Certain Points connected with the Application of the Co-ordination Committee’s Proposals ................................. 20
   Norway ................................................................................................. 21
   Union of South Africa ......................................................................... 21
   Chile ...................................................................................................... 22
   Estonia ................................................................................................... 23
   Finland .................................................................................................... 23
   Czechoslovakia ..................................................................................... 24
   Panama .................................................................................................. 25
   Denmark ............................................................................................... 25
   Netherlands ........................................................................................... 25

THIRD MEETING, November 30th, 1935, at 10.30 a.m.:
7. Examination, with the Assistance of Representatives of Various Governments, of Certain Points connected with the Application of the Co-ordination Committee’s Proposals (continuation) : 26
   Switzerland ........................................................................................... 26
   Bolivia .................................................................................................... 27
   Latvia ..................................................................................................... 27
   Salvador ................................................................................................. 28
8. Application of the Co-ordination Committee’s Proposals to Territories dependent on States taking part in Sanctions: 28
   France ................................................................................................... 28
   Norway ................................................................................................. 28
   United Kingdom ................................................................................... 28
   Australia ............................................................................................... 28
   Spain ....................................................................................................... 28

9. Question of communicating the Co-ordination Committee’s Proposals to all States non-members of the League of Nations .......................................... 29
10. Form of the Report to be submitted to the Chairman of the Co-ordination Committee ................................................................. 29
11. Date of the Next Meeting .......................................................... 30
12. Communication to the Press on the Occasion of the Suspension of the Work of the Committee of Experts ........................................... 30

FOURTH MEETING, December 10th, 1935, at 11.15 a.m. :
13. Preliminary Examination of the Draft Report prepared by the Secretariat for Submission to the Chairman of the Co-ordination Committee: Reference of the Draft Report to Two Sub-Committees ........................................... 30
14. Synopsis Table of Replies received from Governments in connection with the Co-ordination Committee’s Proposals ........................................ 31

FIFTH MEETING, December 10th, 1935, at 5 p.m. :
15. Examination of the Draft Report prepared by the Secretariat for Submission to the Chairman of the Co-ordination Committee: Sections I to V ................................................................. 31
16. Examination, with the Assistance of Representatives of Various Governments, of Certain Points connected with the Application of the Co-ordination Committee’s Proposals (continuation) :
   Chile (continuation) ................................................................... 31

SIXTH MEETING, December 11th, 1935, at 10.30 a.m. :
17. Examination of the Draft Report prepared by the Secretariat for Submission to the Chairman of the Co-ordination Committee (continuation) : Sections VI et seq. 34
18. Examination, with the Assistance of Representatives of Various Governments, of Certain Points connected with the Application of the Co-ordination Committee’s Proposals (continuation) :
   Chile (continuation) ................................................................... 38
   Luxemburg ............................................................................. 38
   Netherlands (continuation) ........................................................... 38

SEVENTH MEETING, December 11th, 1935, at 4 p.m. :
19. Examination, with the Assistance of Representatives of Various Governments, of Certain Points connected with the Application of the Co-ordination Committee’s Proposals (continuation) :
   Switzerland (continuation) ............................................................ 39
20. Examination of the Draft Report to be submitted to the Chairman of the Co-ordination Committee (continuation) : Information regarding Proposal V (continuation) ........................... 44

EIGHTH MEETING, December 12th, 1935, at 10.30 a.m. :
21. Examination and Adoption of the Revised Text of the Draft Report to be submitted to the Chairman of the Co-ordination Committee (continuation) ................................................................. 45
22. Close of the Session ................................................................... 45

LIST OF ANNEXES TO THE MINUTES OF THE COMMITTEE OF EXPERTS.
1. Territorial Division of the World : Document prepared by the Secretariat ................................................................. 46
2. Execution of Proposal I (I A) (Export of Arms, Ammunition and Implements of War) : Report by M. Jean Paul-Boncour (France), Rapporteur .................. 49
2 (a). Execution of Proposal I, Paragraph 3 (Indirect Supply of Arms, Ammunition and Implements of War) : Report by Mr. Shackle (United Kingdom) and M. Wszelaki (Poland), Rapporteurs ................................................................. 51
3. Execution of Proposal II (Financial Measures) : Report by Mr. Brittain (United Kingdom), Rapporteur ................................................................. 52
3 (a). Execution of Proposal II A (Clearing Agreements) : Report by M. Kulski (Poland), Rapporteur ................................................................. 56
4. Execution of Proposal III (Prohibition of Importation of Italian Goods) : Report by M. Suetens (Belgium) and M. Militchevitch (Yugoslavia), Rapporteurs ................................................................. 57
5. Execution of Proposal IV (Embargo on Certain Exports to Italy) : Report by Mr. Shackle (United Kingdom) and M. Wszelaki (Poland), Rapporteurs ................................................................. 58
5 (a). Execution of Proposal IV B (Indirect Supply) : Report by Mr. Shackle (United Kingdom) and M. Wszelaki (Poland), Rapporteurs ................................................................. 60
NOTE BY THE SECRETARY-GENERAL.

The Minutes of the proceedings of the Co-ordination Committee, together with those of the first two sessions of the Committee of Eighteen and of its Sub-Committees, have been published as Special Supplements of the *Official Journal*:

Special Supplement No. 145: Minutes of the First Session of the Co-ordination Committee, Committee of Eighteen and Sub-Committees.

Special Supplement No. 146: Minutes of the Second Session of the Co-ordination Committee, Committee of Eighteen and Sub-Committees.

The replies received from Governments in connection with the Proposals\(^1\) of the Co-ordination Committee will be published later.

\(^1\) Document Nos.: Co-ordination Committee/40, 89 and 97.
COMMITTEE OF EIGHTEEN

FIRST MEETING.

Held on Thursday, December 12th, 1935, at 4.15 p.m.

Chairman: M. de Vasconcellos (Portugal).

1. Joint Efforts by the Governments of France and the United Kingdom with a view to the Settlement by Conciliation of the Dispute between Ethiopia and Italy.

M. Laval (France) spoke as follows:

When, two months ago, the Council and Assembly were compelled to recognise that the efforts made with a view to a peaceful settlement of the Italo-Ethiopian conflict had failed, it was made clear on more than one occasion that, whatever the circumstances and whatever the course of the proceedings under the Covenant, the mission of conciliation devolving on the League of Nations was not terminated. The President of the Council, M. Ruiz Guifiazu, made this point explicitly on September 26th, 1935.1

Speaking in the Assembly on October 10th,2 the United Kingdom delegate said that, while taking action under the Covenant, “We abate not by one jot our desire for an early and peaceful settlement of this dispute in accordance with the principles of the Covenant”. I myself pointed out that “We are not repudiating our faith in the authority of the highest international institution if, simultaneously with the application of its law, we continue to seek a solution by conciliation”.3

In the first days of the conflict, the circumstances scarcely lent themselves to the search for such a solution. On the other hand, you will remember that, when the Co-ordination Committee met for its second session at the beginning of November, it was recognised with satisfaction that the moment had come to resume our efforts with a view to finding rapidly an amicable solution of the conflict. That view was put forward by the Foreign Secretary of the United Kingdom and myself in terms which I venture to recall.

Sir Samuel Hoare said: “It is common talk that, during the last few days, there have been conversations taking place between Rome, Paris and London on the possibilities of such a settlement. There is nothing mysterious or sinister about these discussions. It is the duty of all of us to explore the road of peace. This is what we have been doing and this is what we shall continue to do. . . . If and when these suggestions take a more definite form, we shall take the earliest opportunity to bring them before the Council in the most appropriate manner. Nothing is further from our minds than to make and conclude an agreement behind the back of the League.”4

I, for my part, said that we must endeavour to seek, as speedily as possible, for an amicable settlement of the dispute, and I added that “The French Government and the United Kingdom Government are agreed that their co-operation shall be exerted also in this sphere without the slightest intention, however, of putting the results into final shape outside the League”. As I said, “It is only within the framework of the League that proposals can be examined and decisions reached”.5

I need not recall the favourable reception with which these statements were greeted, or the Chairman’s comment (after speeches delivered by the Belgian first delegate and several of the other members of the Committee) to the effect that the Assembly and Council had declared that the door of conciliation will always remain wide open — by all of which we were encouraged to continue our activities.

Such are the circumstances in which the Governments of France and the United Kingdom had felt that the moment had come to see whether it would not be possible to find a basis for an amicable settlement, in regard to which basis the two parties would have to define their attitude and in regard to which the League would give its decision.

Those enquiries we have continued in the recent conversations in Paris. We did so in relation to the efforts already made at Geneva and to the work of the Committee of

Five, having regard to the exchanges of views with the Italian Government to which Sir Samuel Hoare referred on November 2nd.

The Italian and Ethiopian Governments were informed yesterday of our suggestions. We propose to communicate them shortly to the Council of the League. Our part will then have been played, and it will be for the League of Nations to settle what is to be done. We believe at least the League will appreciate the loyalty of efforts, the only object of which (let me repeat) has been to expedite, within the framework of the League, the settlement of a conflict the continuance of which weighs so heavily on the world.

Mr. Eden (United Kingdom) spoke as follows:

Last November, as my colleagues will recall, when the Co-ordination Committee agreed upon certain sanctions which are now in force, at the same time it specifically approved all attempts to find a basis of discussion between the two parties to this dispute; and it particularly welcomed the suggestion that His Majesty's Government and the French Government should seek to find such a basis. We had no mandate from the Co-ordination Committee, and that Committee had no power to give us such a mandate, but my colleagues will remember that we had their unanimous goodwill in our task. What, therefore, the representatives of the United Kingdom and French Governments have been seeking to do in Paris was to work out proposals that might be submitted to both sides, and upon which both sides might be willing to come together to open discussions here at Geneva. These conversations in Paris were begun with the approval of Members of the League, and neither the French Government nor ourselves have, at any time, had any other intention than to bring the outcome of our work to the League for the League's information and judgment.

The proposals now put forward are neither definitive nor sacrosanct. They are suggestions which it is hoped may make possible the beginning of negotiations. If the League does not agree with these suggestions, we shall make no complaint; indeed, we should cordially welcome any suggestions for their improvement. The policy of His Majesty's Government remains to-day what it has been since the dispute began. Any final settlement must be acceptable to the League, as well as to the two parties in conflict.

In the circumstances, it seems to me that the best procedure to follow at the present time is to call together the Council at the earliest practicable moment, in order that a full statement of the proposals should be made to it. It will be for that body to determine, as and when it sees fit, what course it would wish to pursue in the light of the situation thus created; and, in advance, I emphasise that, so far as His Majesty's Government are concerned, we will not only readily accept the judgment of our colleagues, but we will continue to use our best efforts to further the two objectives which have been constantly before us in this dispute — the restoration of peace and the maintenance of the authority of the League.

Mr. Komarnicki (Poland) said that the important statements which had just been made by two distinguished members of the Committee created, beyond all doubt, a new situation. He did not propose to make any statement with regard to the substance of the problem. The Polish Government reserved the right to do so at the proper time, and to a body competent in the matter.

While the statements of M. Laval and Mr. Eden did not, at that stage of the Committee's work, affect the execution of the resolutions already taken, they imposed upon the members an obligation to observe great discretion and not to do anything calculated to impinge upon the competence of any organ whose duty it was to take a decision on the substance of the question, and, in particular, the Council of the League. The activities of the Committee, though from a strictly legal point of view they were independent of the action carried on by the regular organs of the League, were necessarily affected by political events, and particularly by events which were of such a character as to facilitate the attainment of the end which all must have in view — namely, the restoration of peace. Being of the opinion, in accordance with the line of conduct from which the Polish Government had never diverged, that it was the right and the duty of the competent organs of the League to determine the significance of recent events, and to examine the situation as a whole, M. Komarnicki thought the Committee should refrain from any measure which might have a political character, so long as the Council of the League had not been able to take a decision on the merits of the new proposals put forward by France and the United Kingdom. The adoption of any new measure by the Committee of Eighteen might prejudice the action which the Council, in virtue of its powers, would shortly have to take.

The Chairman thanked the French and United Kingdom delegates for the statements they had been good enough to make, of which the Committee of Eighteen took note. It was not competent to discuss them. It would accordingly deal on the following day with the first point on its agenda — namely, the report of the experts on the sanctions in force.

1 For the report of the Committee of Five, see Official Journal, November 1935, page 1620.
SECOND MEETING.

Held on Friday, December 13th, 1935, at 4 p.m.

Chairman: M. de Vasconcellos (Portugal).

2. Examination of the Report submitted by the Committee of Experts to the Chairman of the Co-ordination Committee.

The CHAIRMAN said that his first and very pleasant duty was to thank the Committee of Experts, its distinguished Chairman and the hard-working Chairman of the Sub-Committee on Proposal II, for the very complete piece of work they had just submitted. At such a difficult and thankless moment, it was a great comfort to look at the table of proposals adopted and to find that the whole world — it could be said — had responded to the appeal of the League of Nations and had not failed in the performance of its duties. This was a compensation for the sacrifices which had been accepted, contrary to the most legitimate interests, in the service of the supreme ideal by which the League of Nations was inspired.

He was sure he would be interpreting the Committee's views in expressing the hope that this splendid and noble example of solidarity would be worthily crowned by the cessation of the war.

Mr. Eden (United Kingdom), having examined the report of the Committee of Experts, associated himself, on behalf of His Britannic Majesty's Government in the United Kingdom, with the Chairman's expression of thanks for the work of the experts.

As he had stated on the previous day, there were two objectives which the United Kingdom Government had constantly in view — the restoration of peace and the maintenance of the authority of the League. In the pursuit of those two objectives, it would not waver. For the attainment of the second of them, the Members of the League had been obliged to take certain measures, the effective application of which was one of the tasks of the Committee of Eighteen. In making such application effective, the experts had rendered valuable service. His Majesty's Government would, of course, continue to be ready to give all the assistance in its power to the work of the Committee.

M. Westman (Sweden), Chairman of the Committee of Experts, recalled that the latter had been instructed to examine, from the technical standpoint, the information supplied by the various Governments with regard to the application of the measures proposed by the Co-ordination Committee and the Committee of Eighteen and to give the Chairman such assistance as he might desire.

On entering upon their duties, the experts had found that the documentation which they were called upon to examine, though voluminous, was still incomplete. Through the good offices of the Chairman of the Committee of Eighteen and the Secretariat, the experts had been able to obtain from the various Governments written and oral explanations which had done a great deal to clear up the position.

A great many of the problems raised by the replies of the Governments had been settled thanks to the co-operation thus brought about between the Governments and the Committee of Experts. Nevertheless, the experts had been unable to achieve what in their eyes would have constituted the greatest success of all — namely, if they had been able to limit their report to the brief statement: "Nothing to report. The various proposals have been adopted and carried into effect by all Member States."

He nevertheless considered that, even as it stood, the report showed to what a great extent the proposals had been adopted and carried out by the Members of the League of Nations. Part IV of the report gave statistics in respect of each of the five proposals. It brought out the fact that, on the average, about fifty Governments had adopted the various proposals, and that approximately forty-five had notified their application as from December 11th, 1935.

The picture would not, however, be complete if he failed to draw attention to certain familiar facts which were mentioned in Part V of the report, where it was stated that four States — Albania, Austria, Hungary and Paraguay — were taking no action under Article 16 of the Covenant. Guatemala had accepted the proposals of the Co-ordination Committee in principle; but it would not appear to be clear from the documents before the Committee that it had already taken the necessary measures. The Government of Salvador had stated that, of the proposals of the Co-ordination Committee, only Proposal III (on which it had acted) was of any practical significance so far as its territory was concerned.

Furthermore, certain particulars with regard to the attitude of various countries had been inserted at the end of each paragraph of Part V, which dealt with the Governments' adherence to Proposals I to V. The majority of those particulars related to Proposal III (prohibition of the
importation of Italian goods), in which connection paragraph (d) of the report contained certain
information as to the attitude of Guatemala, Panama, Peru, Uruguay, the Argentine Republic,
Nicaragua, Venezuela, Chile and Switzerland.

M. Westman was nevertheless bound to add that those particulars were necessarily very
brief, so that those desirous of ascertaining the attitude adopted by each of the Governments
concerned would find it necessary to refer to their respective replies, in which their reasons were
— in many cases — duly set out.

Part VI of the report gave certain additional indications of the ground covered by the
measures adopted. In this connection, he must explain a point which the report did not mention
— namely, that the experts had not considered themselves competent to examine the position
in non-member States, or the steps which had been taken to draw the attention of those States
to the Co-ordination Committee’s proposals. As the Committee was aware, certain information
— necessarily incomplete — regarding the attitude of non-member States had been communi-
cated to the delegations, and was to be found in the documentation on the subject of sanctions.

Lastly, Part VII of the report referred to certain documents which, though on the way,
had not yet reached Geneva.

In the course of their discussions, the experts had considered a number of general questions,
a summary of which was also to be found in Part VII of the report. The experts there replied
to certain questions which had been raised; and they had also ventured to suggest that the
Committee of Eighteen should approach Governments for additional information with regard,
for example, to the steps taken to prevent diversion of goods, the export of which to Italy was
prohibited, etc.

A table was attached to the report, from which could readily be seen what countries had
acted upon the five proposals made to the Governments and to what extent. The table consisted
of five columns containing imposing and almost complete data.

At this point, it was necessary to emphasise that it was difficult to form an accurate
opinion of the real situation in the various countries without a thorough knowledge, not only
of the texts of the laws and regulations enacted, but also of the system of government, and the
legal and administrative practice of each country.

The Chairman had been kind enough to address a few words of thanks to the Committee
of Experts. M. Westman considered that such thanks were mainly due to M. Antoniade, who
had presided over the Sub-Committee on Proposal II, and to the Rapporteurs, on whom had
fallen the very heavy task of clearing the ground.

The CHAIRMAN submitted to the Committee the following draft resolution:

“ The Committee of Eighteen approves the report of the Committee of Experts and
decides to communicate it to the members of the Co-ordination Committee, drawing their
special attention to the points raised in Part VII of the report.”

The draft resolution was adopted.

3. Adjournment of the Committee of Eighteen.

The CHAIRMAN reminded the Committee that it had heard the statements of the French
and the United Kingdom representatives on the negotiations which their Governments had
undertaken in order to arrive as speedily as possible, within the framework of the League of
Nations, at the restoration of peace between Ethiopia and Italy. The Committee was not
acquainted with the bases on which those negotiations were being pursued; but it knew that
they would shortly be submitted to the Council. In those circumstances, the Committee could
hardly take any fresh decisions before knowing those proposals, the replies of the parties and
the Council’s discussions, if it were not to run the risk of causing prejudice to the progress
of negotiations or decisions which were represented as likely to lead to a rapid cessation of
hostilities.

He would summon the Committee for the examination of the other questions on the
agenda as soon as he possessed the necessary information, and in any case at an early date.

M. WESTMAN (Sweden) said that, at the moment when the Committee of Eighteen had
to organise its future work, he wished to make the following declaration on behalf of his
Government.

The Swedish Government is as anxious as any other Government to see the conflict between
Italy and Ethiopia settled as soon as possible, in conformity with the principles which form
the basis of the Covenant of the League of Nations.

The mere fact that, with a view to the settlement of the dispute, suggestions — of which
my Government does not know the purport, and regarding which it therefore cannot pronounce
any judgment — have been transmitted to the two parties does not relieve the Members of
the League of the duty of continuing to ensure the application of the Covenant of the League
of Nations, particularly as the situation which led them to take certain measures still exists.

I shall not object to giving the members of the Council the necessary time in which to meet.
Nevertheless, I wish to say that I am authorised to collaborate in the work which is
the purpose of the present session of the Committee of Eighteen — namely, to co-ordinate
the efforts of the Members of the League of Nations to restore peace by ensuring respect for
the Covenant, thus increasing the general security.
M. Gómez (Mexico) said that November 18th, 1935, had marked the beginning of one of the most important international experiments that the modern world had ventured to undertake in favour of peace.

Fifty-one nations, including that which he represented on the Committee, had put into force, as from the date named, the various economic and financial sanctions proposed to the Members of the League — not as an act of hostility vis-à-vis the Italian people, but as a means of preventing a great Power from continuing to violate the principles of the Covenant, which the majority of Governments rightly regarded as an indispensable means of strengthening collective security and promoting international welfare.

Mexico, in joining the League of Nations, was not unaware of the importance of the obligations she was undertaking to observe. She had fulfilled those obligations up to the present with complete loyalty. In the present instance, the Mexican Government was prepared to vote for the inclusion of oil, iron and coal in the list of products, the export of which to Italy was forbidden. Although the Committee of Eighteen had been appointed in order to organise a system of sanctions capable of putting a stop to the aggression of which one of the States Members of the League had been a victim, and since the only object in view must be to end the Italo-Ethiopian war, M. Gomez was prepared to conform to the views of the other members of the Committee, should they desire to accord the respite necessary to enable the Council to take a decision.

Mexico had no information as to the draft peace proposals adopted as a basis of discussion by France and the United Kingdom; but it was certain, in the light of the statements by M. Laval and Mr. Eden, that the versions published by the Press went far beyond the reality.

In order to arrive at lasting peace, such as they now conceived it and for which the Covenant provided, it was essential to have in view a fair solution, fair even to the State which had violated the Covenant, but fair above all to the victim of the aggression, since any solution which was not freely accepted by Ethiopia was, in the view of his country, incompatible with the spirit of the Covenant.

If in the future Mexico were called upon to vote, she would do so with full freedom, basing her attitude solely on her scrupulous respect for the Covenant. In the contrary event, his Government desired that there should be no possible misunderstanding of the fact that it had remained silent.

THIRD MEETING.

Held on Thursday, December 19th, 1935, at 6.15 p.m.

Chairman : M. de Vasconcellos (Portugal).


The Chairman said that the Committee of Eighteen had before it the following resolution, which had just been adopted by the Council:

"1. The Council thanks the representatives of France and of the United Kingdom for the communication which they have made to it concerning the suggestions which they have put before the two parties with a view to conciliation.

"2. In view of the preliminary character of these suggestions, as emphasised by the two Powers which took the initiative of putting them forward, the Council does not consider that it is called upon to express an opinion in regard to them at present.

"3. The Council instructs the Committee of Thirteen, bearing in mind the provisions of the Covenant, to examine the situation as a whole, as it may appear in the light of the information which the Committee may procure."

In consequence, the situation as it stood at the last meeting of the Committee remained unchanged. The Committee of Experts would accordingly continue to follow the application of the sanctions in force, and the Committee would no doubt desire him, as Chairman, to remain in touch with the Chairman of the Committee of Thirteen with regard to the next meeting of the Committee of Eighteen.

The Chairman's proposal was adopted.

---

REPORT OF THE COMMITTEE OF EXPERTS
TO THE CHAIRMAN OF THE CO-ORDINATION COMMITTEE

Approved by the Committee of Eighteen on December 13th, 1935.

RESOLUTION ADOPTED BY THE COMMITTEE OF EIGHTEEN
ON DECEMBER 13TH, 1935.

The Committee of Eighteen approves the report of the Committee of Experts and
Decides to communicate it to the members of the Co-ordination Committee and to draw
their special attention to the questions raised in Section VII of that report.

REPORT, DATED DECEMBER 12TH, 1935, OF THE COMMITTEE OF EXPERTS
TO THE PRESIDENT OF THE CO-ORDINATION COMMITTEE.

I.

On November 6th, 1935, the Committee of Eighteen requested certain Governments to nominate experts to study in Geneva the information furnished by Governments concerning the application of the measures proposed by the Co-ordination Committee and to furnish the Chairman with such assistance as he might desire, more particularly with regard to any question which might be submitted to him by Governments with regard to the application of those measures.

II.

The experts met from November 27th to 30th and from December 10th to 12th, 1935, and studied the replies received from Governments with reference to the application of the proposals of the Co-ordination Committee and such texts of laws and decrees as had reached Geneva by the date of December 11th.

III.

In submitting its report on the result of its work, the Committee of Experts desires to make at the outset certain observations of a general order:

(a) It has interpreted its duties as involving primarily a technical study of the action taken up to date. As was repeatedly emphasised during the course of the discussions in the Co-ordination Committee, it is for each Government to decide what action is imposed upon it by its obligations under Article 16 of the Covenant.

(b) At the same time, during the course of the discussions between the experts themselves, certain technical questions as to the interpretation of the proposals of the Co-ordination Committee have arisen. Other similar questions have been put by Governments either orally or by letter. The Committee of Experts has thought it might prove useful to draw attention to these points in its report.

(c) The fact that definite information with reference to the measures applied had not reached Geneva at the time of the drafting of this report constitutes by itself no proof that measures have not yet been taken. Information reaches Geneva day by day and action naturally precedes the notification of that action or the receipt of that notification at Geneva. This report relates only to the information received at Geneva up to December 11th.

(d) It should be observed that the texts of the laws, decrees, etc., which have been studied by the Committee cannot by themselves afford complete evidence of the manner in which, or the extent to which, the proposals of the Co-ordination Committee are being applied. It is, indeed, difficult to frame a definite opinion with reference to these texts without an intimate knowledge of the legal and administrative system and practice in each country.

1 List of countries sending experts: Belgium, United Kingdom, France, Greece, Netherlands, Poland, Roumania, Spain, Sweden, Turkey, Union of Soviet Socialist Republics, and Yugoslavia.
IV.

In the Appendix, a table is given which summarises the information received with reference to the application of the measures proposed by the Co-ordination Committee.

It would appear from the replies received at Geneva that:

**Proposal I** has been accepted by fifty-two Governments, and fifty of these Governments have notified the Co-ordination Committee of its entry into force;

**Proposal II** has been accepted by fifty-two Governments, and forty-seven of these Governments have notified the Co-ordination Committee of its entry into force;

**Proposal III** has been accepted by fifty Governments, and forty-three of these Governments have notified the Co-ordination Committee of its entry into force;

**Proposal IV** has been accepted by fifty-one Governments, and forty-five of these Governments have notified the Co-ordination Committee of its entry into force;

**Proposal V** has been accepted by forty-six Governments. In addition, three Governments have sent communications which would appear to indicate their acceptance in principle.

In certain countries in which legislative action has not yet been taken, draft laws incorporating the principles of the Co-ordination Committee's proposals are before Parliament.

V.

The details with reference to the action taken as presented by the documentation before the Committee and summarised in the Annex would appear to be as follows:

(a) **General Observations.**

Four States—Albania, Austria, Hungary and Paraguay—are taking no action under Article 16 of the Covenant.

Guatemala has in principle accepted the proposals of the Co-ordination Committee, but it would not appear to be clear from the documents before that Committee that it has taken the necessary measures.

The Government of Salvador remarks that, of the proposals of the Co-ordination Committee, only Proposal III (on which it has acted) has any practical significance so far as its territory is concerned.

(b) **Proposal I, I A: Export of Arms, Ammunition and Implements of War.**

Information has been received from the following fifty Members of the League that measures prohibiting such export are in force:

<table>
<thead>
<tr>
<th>Afghanistan</th>
<th>Estonia</th>
<th>Nicaragua</th>
</tr>
</thead>
<tbody>
<tr>
<td>Union of South Africa</td>
<td>Finland</td>
<td>Norway</td>
</tr>
<tr>
<td>Argentine</td>
<td>Greece</td>
<td>Panama</td>
</tr>
<tr>
<td>Australia</td>
<td>Haiti</td>
<td>Peru</td>
</tr>
<tr>
<td>Belgium</td>
<td>Honduras</td>
<td>Poland</td>
</tr>
<tr>
<td>Bolivia</td>
<td>India</td>
<td>Portugal</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>Iran</td>
<td>Roumania</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>Iraq</td>
<td>Siam</td>
</tr>
<tr>
<td>Canada</td>
<td>Irish Free State</td>
<td>Spain</td>
</tr>
<tr>
<td>Chile</td>
<td>Iraq</td>
<td>Sweden</td>
</tr>
<tr>
<td>China</td>
<td>Latvija</td>
<td>Switzerland</td>
</tr>
<tr>
<td>Colombia</td>
<td>Liberia</td>
<td>Turkey</td>
</tr>
<tr>
<td>Cuba</td>
<td>Lithuania</td>
<td>Union of Soviet Socialist Republics</td>
</tr>
<tr>
<td>Czechoslovakia</td>
<td>Luxemburg</td>
<td></td>
</tr>
<tr>
<td>Denmark</td>
<td>Mexico</td>
<td>Uruguay</td>
</tr>
<tr>
<td>Dominican Republic</td>
<td>Netherlands</td>
<td>Venezuala</td>
</tr>
<tr>
<td>Ecuador</td>
<td>New Zealand</td>
<td>Yugoslavia</td>
</tr>
</tbody>
</table>

Two of these States—namely, Luxemburg and Switzerland—have prohibited the export of arms, ammunition and implements of war both to Ethiopia and to Italy.

In Austria and Hungary, the export of arms is illegal and is prohibited under the Treaties of Peace.
(c) Proposal II: Financial Measures.

Information has been received from the following forty-seven Members of the League that steps have been taken to put this proposal into force:

- Afghanistan
- Union of South Africa
- Argentine
- Australia
- Belgium
- Bolivia
- United Kingdom
- Bulgaria
- Canada
- Chile
- China
- Colombia
- Cuba
- Czechoslovakia
- Denmark
- Dominican Republic
- Ecuador
- Estonia
- Finland
- France
- Greece
- Haiti
- Honduras
- India
- Iran
- Iraq
- Irish Free State
- Liberia
- Lithuania
- Luxembourg
- Mexico
- Netherlands
- New Zealand
- Nicaragua
- Norway
- Poland
- Portugal
- Roumania
- Siam
- Spain
- Sweden
- Switzerland
- Turkey
- Union of Soviet Socialist Republics
- Venezuela
- Yugoslavia

The position with reference to Guatemala and Salvador has been indicated above—(a) (General Observations).

It is not clear to the Committee at the moment what action has been taken by Panama.

Peru and Uruguay have submitted Bills to Parliament.

With reference to Proposal II A, Chile has not suspended its clearing agreement with Italy, whereas Switzerland has recently concluded such an agreement.


Information has been received from the following forty-three Members of the League that steps have been taken to put Proposal III into force:

- Afghanistan
- Estonia
- Finland
- France
- Greece
- Haiti
- Honduras
- India
- Iran
- Iraq
- Irish Free State
- Latvia
- Liberia
- Lithuania
- Luxembourg
- Mexico
- Netherlands
- New Zealand
- Norway
- Poland
- Portugal
- Roumania
- Siam
- Spain
- Sweden
- Turkey
- Union of Soviet Socialist Republics
- Venezuela
- Yugoslavia

Certain of these countries have considered it desirable, in order to render the system effective, to demand a certificate of origin for goods coming from countries neighbours of Italy which are not applying Proposal III.

The position with regard to Guatemala, Panama, Peru and Uruguay has been indicated above.

The Argentine Government has drafted a Bill to be submitted to Parliament when it meets.

Owing to some delay in transmission, the texts of Proposals III and IV did not reach the Government of Nicaragua at the same time as other Governments. The Government proposes to submit Bills to Congress in order to enforce these proposals.

These two proposals are now under consideration by the Government of Venezuela.

The Government of Chile proposes to enforce Proposal III sixty days after November 18th, subject to a reservation, concerning imports falling under the terms of the Clearing Agreement. The delay of sixty days has, it is explained, been decided upon because it corresponds to the time taken for a "complete voyage" between Italy and Chile.

The Swiss Government has not prohibited the import of goods from Italy, but has entered into a clearing agreement under which, according to the explanation given to the Committee, any transfer from Switzerland of funds derived from Italian exports will be rendered impossible. The Committee has been informed that the total value of imports from and exports to Italy will not in any quarter exceed the total value of such imports and exports respectively during the corresponding period.
of 1934 and that, furthermore, the Federal Government reserves to itself the right to apply this limitation, not only to the total value of imports and exports, but also to classes of goods.

(e) **Proposal IV: Embargo on Certain Exports to Italy.**

Information has been received from the following forty-five Members of the League that steps have been taken to put Proposal IV into force:

<table>
<thead>
<tr>
<th>Afghanistan</th>
<th>Estonia</th>
<th>New Zealand</th>
</tr>
</thead>
<tbody>
<tr>
<td>Union of South Africa</td>
<td>Finland</td>
<td>Norway</td>
</tr>
<tr>
<td>Argentine</td>
<td>France</td>
<td>Poland</td>
</tr>
<tr>
<td>Australia</td>
<td>Greece</td>
<td>Portugal</td>
</tr>
<tr>
<td>Belgium</td>
<td>Haiti</td>
<td>Roumania</td>
</tr>
<tr>
<td>Bolivia</td>
<td>Honduras</td>
<td>Siam</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>India</td>
<td>Spain</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>Iran</td>
<td>Sweden</td>
</tr>
<tr>
<td>Canada</td>
<td>Iraq</td>
<td>Switzerland</td>
</tr>
<tr>
<td>China</td>
<td>Irish Free State</td>
<td>Turkey</td>
</tr>
<tr>
<td>Colombia</td>
<td>Latvia</td>
<td>Union of Soviet Socialist Republics</td>
</tr>
<tr>
<td>Cuba</td>
<td>Liberia</td>
<td>Uruguay</td>
</tr>
<tr>
<td>Czechoslovakia</td>
<td>Lithuania</td>
<td>Yugoslavia</td>
</tr>
<tr>
<td>Denmark</td>
<td>Luxembourg</td>
<td></td>
</tr>
<tr>
<td>Dominican Republic</td>
<td>Mexico</td>
<td></td>
</tr>
<tr>
<td>Ecuador</td>
<td>Netherlands</td>
<td></td>
</tr>
</tbody>
</table>

The situation with reference to Guatemala, Nicaragua, Panama, Peru, Salvador and Venezuela has been explained above.

The Committee has been informed that the Chilian Government proposes to apply Proposal IV sixty days after November 18th.

(f) **Proposal V: Organisation of Mutual Support.**

Information has been received from the following forty-six Members of the League of Nations that they have accepted in principle Proposal V:

<table>
<thead>
<tr>
<th>Afghanistan</th>
<th>France</th>
<th>Norway</th>
</tr>
</thead>
<tbody>
<tr>
<td>Union of South Africa</td>
<td>Greece</td>
<td>Panama</td>
</tr>
<tr>
<td>Australia</td>
<td>Guatemala</td>
<td>Poland</td>
</tr>
<tr>
<td>Belgium</td>
<td>Haiti</td>
<td>Portugal</td>
</tr>
<tr>
<td>Bolivia</td>
<td>Honduras</td>
<td>Roumania</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>India</td>
<td>Salvador</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>Iran</td>
<td>Siam</td>
</tr>
<tr>
<td>Canada</td>
<td>Iraq</td>
<td>Spain</td>
</tr>
<tr>
<td>Chile</td>
<td>Irish Free State</td>
<td>Sweden</td>
</tr>
<tr>
<td>China</td>
<td>Latvia</td>
<td>Turkey</td>
</tr>
<tr>
<td>Colombia</td>
<td>Liberia</td>
<td>Union of Soviet Socialist Republics</td>
</tr>
<tr>
<td>Czechoslovakia</td>
<td>Lithuania</td>
<td>Uruguay</td>
</tr>
<tr>
<td>Denmark</td>
<td>Luxembourg</td>
<td>Venezuela</td>
</tr>
<tr>
<td>Dominican Republic</td>
<td>Mexico</td>
<td>Yugoslavia</td>
</tr>
<tr>
<td>Estonia</td>
<td>New Zealand</td>
<td></td>
</tr>
<tr>
<td>Finland</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

In addition, the Governments of the Argentine, Nicaragua and Switzerland, without stating explicitly that they accepted Proposal V, have sent communications which would appear to indicate their acceptance in principle.

According to the information received from Cuba, Ecuador and Peru, the Governments of those countries are still examining the proposal.

VI.

The Committee has made a study of the area covered by the measures taken by Governments of Members of the League. It appears from this study that all colonies, protectorates, dependencies, condominiums, leased territories and mandated territories of countries which have applied measures are covered by those measures, with the exception of the Spanish colonies, of Morocco (with reference to which conversations are about to be initiated) and of Spitzbergen, which is icebound at this time of year.

In territories subject to concessions, the nationals of States which have applied measures are or will shortly be bound by the stipulations of those laws or decrees.
Furthermore, the Dominion of Newfoundland has up to date taken measures to enforce Proposals I and II and is taking the necessary action with regard to Proposals III and IV.

The Committee did not consider that it fell within its functions to review the situation in non-member States or the action which had been taken in order to draw their attention to the proposals of the Co-ordination Committee.

VII.

The annexed table indicates the States from which texts of laws and decrees have been received. A number of texts are known to be on the way. The Committee has studied those laid before it and has in certain cases asked for additional information.

As stated above, a certain number of questions of a general order arose either from the examination of these documents or from other communications received by the Committee. These points may be summarised as follows:

(a) In certain cases, it is not clear what penalties are imposed for infringement of the measures enforced.

The Committee of Eighteen may wish to invite Governments to inform it what penalties are imposable when the texts of the measures already communicated do not give sufficient information.

(b) In a few cases, it is not clear whether the revised list of arms and implements of war attached to Proposal I A has been substituted for the first list contained in Proposal I.

The Committee of Eighteen may wish to draw the attention of Governments which may not already have done so to the desirability of effecting this substitution.

(c) The Committee paid special attention to paragraph 3 of Proposal I and to Proposal IV B, with reference to the prevention of prohibited goods reaching Italy by indirect routes. It is of the opinion that it is not possible to frame any definite conclusion at this stage about the efficacy of the measures taken from a study of the texts of the laws, decrees, etc.

The Committee of Eighteen may wish to invite Governments to inform it of the administrative and other measures taken by them to prevent either their exports from reaching Italy through indirect routes or the exports of other countries reaching Italy through their own territory.

Should the Governments meet with any difficulties in the execution of these measures, they will be able to consult the President of the Committee of Eighteen, in accordance with the terms of the resolution adopted by that Committee on November 6th.

(d) Certain Governments have, in order to act with the greatest possible promptitude, reached an understanding with banks under which the latter undertake to refrain from any of the transactions the prohibition of which is proposed in the Co-ordination Committee's Proposal II.

Some doubt may be felt as to whether such arrangements effectively prevent all possibility of granting credits.

The Committee of Eighteen may wish to draw the attention of Governments to the desirability of supplementing such arrangements by legislation applying not only to banks but to all other institutions and individuals.

(e) Other Governments have taken measures to enforce Proposal II by means of their exchange control.

It is not, however, clear whether in these cases credits granted in domestic currency and commercial credits generally are effectively prevented.

(f) The Committee was asked during the course of its meeting whether the prohibition of commercial credits related only to credits of an extended period, or whether there was to be an absolute prohibition of credits irrespective of length.

The Committee was of opinion that the prohibition was intended to be absolute and only sales on a cash basis payable on or before delivery were intended to be authorised.

(g) Some doubt appears to have existed about the second paragraph of Proposal II A which relates to clearing agreements.

This paragraph reads as follows:

"Governments will . . . take, if need be, the necessary steps to ensure that the purchase price of Italian products already imported, or to be imported, in respect of which payment has not yet been made, shall be lodged in a national account, the resources of which will, if necessary, be employed for the settlement of claims arising from their exports."

This proposal is a simple suggestion to Governments concerning a possible means by which they might, at their discretion, secure payment for their exports to Italy.
In addition to the foregoing points of a general order, the Committee has raised, in the course of its study of the measures taken, certain questions relating to individual replies or laws and may desire to ask for further information. It has had the advantage of consulting with the representatives of a number of Governments who have been good enough to elucidate certain of these questions or to ask for additional information from their Governments. The Committee may require to refer to certain of these points if it is requested to draft a supplementary report on outstanding points and texts received later.

A number of other questions raised were of minor importance; others, again, related to the date on which the measures were to enter into force—a date now, in the great majority of cases, already passed.

### Appendix.

**SUMMARY OF GOVERNMENT REPLIES**

<table>
<thead>
<tr>
<th>Countries</th>
<th>Proposal I</th>
<th>Proposal II</th>
<th>Proposal III</th>
<th>Proposal IV</th>
<th>Proposal V</th>
</tr>
</thead>
<tbody>
<tr>
<td>Afghanistan</td>
<td>In force</td>
<td>In force *</td>
<td>In force *</td>
<td>In force</td>
<td>Accepted</td>
</tr>
<tr>
<td>Union of South Africa</td>
<td>In force</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>Accepted</td>
</tr>
<tr>
<td>Albania</td>
<td>In force *</td>
<td>In force *</td>
<td>Bill drafted for Parliament</td>
<td>In force *</td>
<td>1</td>
</tr>
<tr>
<td>Argentina</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>Accepted</td>
</tr>
<tr>
<td>Austria</td>
<td></td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>Accepted</td>
</tr>
<tr>
<td>Belgium</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>Accepted</td>
</tr>
<tr>
<td>Bolivia</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>Accepted</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>Accepted</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>Accepted</td>
</tr>
<tr>
<td>Canada</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>Accepted</td>
</tr>
<tr>
<td>Chile</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>Accepted</td>
</tr>
<tr>
<td>China</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>Accepted</td>
</tr>
<tr>
<td>Colombia</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>Accepted</td>
</tr>
<tr>
<td>Cuba</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>Accepted</td>
</tr>
<tr>
<td>Czechoslovakia</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>Accepted</td>
</tr>
<tr>
<td>Denmark</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>Accepted</td>
</tr>
<tr>
<td>Dominican Republic</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>Accepted</td>
</tr>
<tr>
<td>Ecuador</td>
<td>In force *</td>
<td>In force *</td>
<td>Under consideration</td>
<td>In force *</td>
<td>Accepted</td>
</tr>
<tr>
<td>Estonia</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>Accepted</td>
</tr>
<tr>
<td>Finland</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>Accepted</td>
</tr>
<tr>
<td>France</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>Accepted</td>
</tr>
<tr>
<td>Greece</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>Accepted</td>
</tr>
<tr>
<td>Guatemala</td>
<td>Accepted in principle</td>
<td>Accepted in principle</td>
<td>Accepted in principle</td>
<td>Accepted in principle</td>
<td>Accepted</td>
</tr>
<tr>
<td>Haiti</td>
<td>In force</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>Accepted</td>
</tr>
<tr>
<td>Honduras</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>Accepted</td>
</tr>
<tr>
<td>Hungary</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>Accepted</td>
</tr>
<tr>
<td>India</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>Accepted</td>
</tr>
<tr>
<td>Iran</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>Accepted</td>
</tr>
<tr>
<td>Irish Free State</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>Accepted</td>
</tr>
<tr>
<td>Latvia</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>Accepted</td>
</tr>
<tr>
<td>Liberia</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>Accepted</td>
</tr>
<tr>
<td>Lithuania</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>Accepted</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>Accepted</td>
</tr>
<tr>
<td>Mexico</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>Accepted</td>
</tr>
<tr>
<td>Netherlands</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>Accepted</td>
</tr>
<tr>
<td>New Zealand</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>Accepted</td>
</tr>
<tr>
<td>Nicaragua</td>
<td>In force *</td>
<td>In force *</td>
<td>Before Parliament</td>
<td>Before Parliament</td>
<td>Accepted</td>
</tr>
<tr>
<td>Norway</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>Accepted</td>
</tr>
<tr>
<td>Panama</td>
<td>In force</td>
<td>Will take necessary measures</td>
<td>Will take necessary measures</td>
<td>Will take necessary measures</td>
<td>Accepted</td>
</tr>
<tr>
<td>Paraguay</td>
<td>In force *</td>
<td>In force *</td>
<td>Before Parliament</td>
<td>Before Parliament</td>
<td>Under consideration</td>
</tr>
<tr>
<td>Perú</td>
<td>In force *</td>
<td>In force *</td>
<td>Before Parliament</td>
<td>Before Parliament</td>
<td>Under consideration</td>
</tr>
<tr>
<td>Poland</td>
<td>In force *</td>
<td>In force *</td>
<td>Before Parliament</td>
<td>Before Parliament</td>
<td>Under consideration</td>
</tr>
<tr>
<td>Portugal</td>
<td>In force *</td>
<td>In force *</td>
<td>Before Parliament</td>
<td>Before Parliament</td>
<td>Under consideration</td>
</tr>
<tr>
<td>Roumania</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>Accepted</td>
</tr>
<tr>
<td>Salvador</td>
<td>Accepted in principle</td>
<td>Accepted in principle</td>
<td>but considered unnecessary to apply</td>
<td>Accepted in principle</td>
<td>Accepted</td>
</tr>
<tr>
<td>Siam</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>Accepted</td>
</tr>
<tr>
<td>Spain</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>Accepted</td>
</tr>
<tr>
<td>Sweden</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>Accepted</td>
</tr>
<tr>
<td>Switzerland</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>Accepted</td>
</tr>
<tr>
<td>Turkey</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>Accepted</td>
</tr>
<tr>
<td>Union of Soviet Socialist Republics</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>Accepted</td>
</tr>
<tr>
<td>Uruguay</td>
<td>In force *</td>
<td>In force *</td>
<td>Before Parliament</td>
<td>Before Parliament</td>
<td>Accepted</td>
</tr>
<tr>
<td>Venezuela</td>
<td>In force *</td>
<td>In force *</td>
<td>Under consideration</td>
<td>Under consideration</td>
<td>Accepted</td>
</tr>
<tr>
<td>Yugoslavia</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>In force *</td>
<td>Accepted</td>
</tr>
</tbody>
</table>

* Texts have reached Geneva.
1 Reply not quite explicit.
2 As from sixty days after November 18th, 1935.
3 With exception of imports arising out of clearing operations.
4 Information has been received since the report was concluded that the Peruvian Government issued a decree on December 11th enforcing the proposals.
COMMITTEE OF EXPERTS.

LIST OF EXPERTS
APPOINTED TO ASSIST THE CHAIRMAN OF THE CO-ORDINATION COMMITTEE.

(Resolution of the Committee of Eighteen, dated November 6th, 1935.) ¹

Belgium: M. J. SUETENS.

United Kingdom: Mr. H. BRITTAIN. 
Mr. R. S. SHACKLE. 
Mr. R. C. STEVENSON.

France: M. FOUQUES-DUPARC. 
Commandant de VILLELUME. 
Capitaine VAUTRIN. 
M. COUVE DE MURVILLE.

Greece: M. R. BIBICA-ROSETTI.

Netherlands: His Excellency Chevalier C. VAN RAPPARD. 
M. J. L. F. VAN ESSEN.

Poland: M. J. WSZELAKI. 
M. L. KULSKI.

Roumania: His Excellency M. C. ANTONIADE.

Spain: M. J. TEIXIDOR.

Sweden: M. K. I. WESTMAN.

Turkey: His Excellency M. Cemal HÜSNÜ.

Union of Soviet Socialist Republics: M. E. W. HIRSCHFELD.

Yugoslavia: M. J. SOUBBOTITCH.

Expert: M. D. MILITCHEVITCH. 
Substitute: M. MILITCH.

¹ See Official Journal, Special Supplement No. 146, page 50. See also Document No.: Co-ordination Committee/9
FIRST MEETING.

Held on Wednesday, November 27th, 1935, at 11.15 a.m.

1. Opening of the Session.

M. DE VASCONCELLOS, Chairman of the Committee of Eighteen, recalled that, under the resolution adopted by the Committee of Eighteen on November 6th, 1935,¹ the duty of the experts was “to study in Geneva the information furnished by Governments concerning the application of the measures proposed by the Committee of Co-ordination, and to furnish the Chairman (of the Committee of Eighteen) with such assistance as he may desire, more particularly with regard to any question which may be submitted to him by Governments with regard to the application of these measures”.

In virtue of the powers conferred on him, he had requested the representatives of Belgium and the Netherlands to join the experts.

2. Election of the Chairman.

M. DE VASCONCELLOS called upon the experts to elect a Chairman.

M. WESTMAN (Sweden) was unanimously elected Chairman of the Committee of Experts.

3. Publicity of the Meetings.

The Committee decided that its meetings should be private, having regard to the technical character of the questions for discussion.

4. Appointment of Sub-Committees.

After an exchange of views, the Committee decided to appoint two Sub-Committees, the first to study questions relating to Proposal II,² and the second to study questions relating to Proposals I, III and IV.² It was agreed that whichever Sub-Committee should first complete its studies was to consider the question of the geographical application of the Co-ordination Committee’s proposals.

It was decided that the Sub-Committees should be constituted as follows:

First Sub-Committee (Proposal II) : United Kingdom, France, Greece, Poland, Union of Soviet Socialist Republics, Yugoslavia.

Second Sub-Committee (Proposals I, III and IV) : Belgium, United Kingdom, France, Netherlands, Poland, Roumania, Spain, Turkey, Union of Soviet Socialist Republics, Yugoslavia.

It was understood that all the delegations represented on the Committee of Experts should be entitled, if they should see fit, to send a representative to sit on either Sub-Committee, if not already represented by a delegate.

It was further decided that no Minutes should be kept of the meetings of the Sub-Committees.³

SECOND MEETING.

Held on Friday, November 29th, 1935, at 3.30 p.m.

Chairman : M. WESTMAN (Sweden).

5. Examination, with the Assistance of Representatives of Various Governments, of Certain Points connected with the Application of the Co-ordination Committee’s Proposals.

The Committee considered the questions to be put to each country with regard to points connected with the application of the Co-ordination Committee’s proposals.

¹ See Official Journal, Special Supplement No. 146, page 50.
² Document No. : Co-ordination Committee/40.
³ For the reports of the Rapporteurs on the questions examined by the Sub-Committees, see pages 49 to 62.
Following on this examination, the Committee decided to proceed at once with the hearing of representatives.

NORWAY.

M. Maseng, delegate of Norway, came to the table of the Committee.

M. Maseng (Norway) stated, in reply to certain questions which had been raised by the Sub-Committee concerned with Proposal II, that Norway had accepted and given full effect to Proposal II. Under paragraph (4) of that proposal commercial credits to Italy were prohibited, and as, moreover, the countries applying sanctions were forbidden under Proposal III to buy Italian goods, it was plain that the clearing machinery between any of those countries and Italy had to be suspended. Norway had consequently notified Italy that, as from November 18th, 1935, Norwegian exports to Italy could no longer be paid for by means of deposits of lire made to the Italian clearing institution. That question, therefore, was, he thought, settled.

Another point was whether or no interim measures should be considered for goods en route at November 18th. He had corresponded on that subject with the Chairman of the Co-ordination Committee, whom he had informed in substance that, in the case of goods en route at November 18th, Italian importers could not be obliged to effect payment in free currencies if they refused to meet their obligations in that manner. Hence, there was the following alternative: either the deposit in lire could be increased or the Italian importers could be left individually liable for the money owing on the goods. The latter solution would appear to be the better, and in any case it would only apply to relatively unimportant amounts.

M. Jean Paul-Boncour (France), Rapporteur on questions connected with Proposal I, drew M. Maseng's attention to the fact that, in its communication to the Secretariat, the Norwegian Government had omitted to append the list of articles which it regarded as arms, ammunition and implements of war, so that the experts were not quite clear as to whether that list was the one appended to Proposal I or that appended to Proposal I A.

M. Maseng (Norway) said he would take steps to see that this omission was made good as soon as possible. Speaking personally, he had no doubt that the list of arms to which the Norwegian Government was applying the embargo was the last adopted by the Co-ordination Committee — namely, that accompanying Proposal I A.

M. Jean Paul-Boncour (France), Rapporteur on questions connected with Proposal I, drew M. Maseng's attention to the following passage in the Norwegian Royal Decree of October 18th, 1935:

"So long as Italy makes war on Ethiopia, the consignment of all arms, munitions and implements of war to Italy is prohibited."

He asked whether the word "consignment" covered transit across Norway.

M. Maseng (Norway) replied in the affirmative.

M. Maseng withdrew.

UNION OF SOUTH AFRICA.

Mr. Andrews, delegate of South Africa, came to the table of the Committee.

The Chairman said that the Committee would be glad of a few explanations concerning the following paragraph in Mr. Andrews' reply to the Secretary-General:

"I am also directed to state that, with regard to the decision taken by the Co-ordination Committee on November 2nd, that, as an exception to Proposal III, contracts for which payment had been made in full by October 19th, 1935, might be executed, the Union Government have felt it necessary to extend the date to November 14th, in view of the geographical factor, lack of suitable shipping facilities and other general considerations."

Mr. Andrews (Union of South Africa) assured the experts that the extension by the Union Government of the date in regard to fully paid contracts had been solely dictated by consideration of the geographical factor and the lack of suitable shipping facilities between South Africa and Italy. The extension of date would by no means result in any large amount of imports after November 18th, and as it was not the ordinary commercial practice for South African importers to pay before goods were received in South Africa, the Union Government did not expect many cases to arise of goods fully paid before November 15th.

1 Document No.: Co-ordination Committee/37.
2 Document No.: Co-ordination Committee/40.
3 Document No.: Co-ordination Committee/43(c).
The date recommended by the Co-ordination Committee on November 2nd, was October 19th. It was quite possible, however, between that time and November 18th, for European importers within close reach of Italy and with ample means of transit and communication to take delivery of goods for which payment had been made after October 19th, provided they could get the goods shipped or loaded before November 18th, which was an easy matter.

In respect of South Africa, however, owing to the lack of frequent shipping facilities between the Union and Italy, it was much more difficult for South African importers to do the same, and the Union Government felt it would hardly be fair to penalise those few South African importers, who, in similar circumstances, had fully paid in cash for goods, by not allowing them to take delivery of those goods.

As regards the date — November 14th — that date had been decided upon because it was the day on which the Proclamation had been signed giving legal effect to Proposal III. He added that not many cases were involved as a result of this extension beyond the date originally recommended by the Co-ordination Committee, and the limited amount of goods involved would not be such as to have any appreciable effect on Proposal III.

M. Suetens (Belgium), Rapporteur on questions connected with Proposal III, said that he had no further questions to ask.

Mr. Andrews withdrew.

**CHILE.**

M. Gajardo, delegate of Chile, came to the table of the Committee.

The Chairman said that the Chilian Government's communication stated that the laws in force in Chile invested the International Exchange Commission with powers to give effect to Proposal II. As the Exchange Commission's powers probably covered only transactions for the conversion of sums in Chilian currency into foreign currencies, the question arose whether the loans and credits granted to Italy in Chilian currency and the granting to Italians of credits in respect of sales of goods were prohibited.

The telegram from the Chilian Ministry for Foreign Affairs to the Secretary-General, dated October 31st, 1935, also stated:

"The Government of Chile likewise agrees to carry out Proposal III except in the case of imports arising out of clearing operations, especially such as may have already been begun when the proposal comes into effect."

The experts would be glad of explanations on these two points.

M. Gajardo (Chile) said that the points raised by the experts in connection with Proposals II and III had already formed the subject of a communication from the Chilian Government to the Secretary-General (telegram of October 31st, 1935). He himself had already stated, in a letter to the Secretary-General of November 20th, what were the laws in force which would enable Chile to apply Proposals II and III. If there were any doubts upon the texts of laws or the meaning of the Chilian Foreign Minister's telegram of October 31st, 1935, he would communicate them to his Government and might be able to give the experts its explanations within a short time.

M. Suetens (Belgium), Rapporteur on questions connected with Proposal III, explained that, to judge from the telegram of October 31st, 1935, it seemed that Chile was continuing to authorise clearing and compensation transactions which were strictly prohibited under Proposal III.

M. Gajardo (Chile) said that the fact that a proposal prohibited such and such a transaction, did not necessarily involve, ipso facto, the prohibition of that transaction in law. The Co-ordination Committee had only been set up to assist, by framing and preparing texts, the Governments of countries applying sanctions in the performance of their task. The Chilian Government had examined the texts of the proposals put forward by the Co-ordination Committee and had replied to them; that reply having given rise to certain comments, he would forward them to his Government.

The Chairman noted with satisfaction M. Gajardo's reply, and stated that the discussion of the points connected with the application by Chile of Proposals II and III would be resumed later.

He pointed out next that the texts of laws mentioned in document No.: Co-ordination Committee/47(c) bore a date previous to the dispute between Italy and Ethiopia, and therefore

---

1 Document No.: Co-ordination Committee/47(c).
2 Document No.: Co-ordination Committee/47(a).
had no direct connection with the present situation. He asked whether the Co-ordination Committee’s proposals had given rise to decrees of application taken on the basis of the general stipulations contained in the texts of laws sent by the Chilian permanent delegation.

M. Gajardo (Chile) replied that the note contained in document No.: Co-ordination Committee/47/c reproduced practically in extenso the instructions he had received from his Government. He wished to point out that the last paragraph of that document stated that the laws mentioned by the Chilian Government would enable the latter to apply the measures provided for in Proposals III, IV and V of the Co-ordination Committee.

The Chairman stated that a fairly large number of Governments were in the same position as Chile, as was shown by the discussions in the various sub-committees. That had given rise to the following recommendation by the Sub-Committee on Proposal II:

"It is desirable that Governments which have given effect to Proposal II by means of administrative instructions (to banks or other institutions) should replace them by legislative or equivalent texts."

M. Kulski (Poland) observed that, since M. Gajardo had promised to transmit the experts’ comments to his Government, it would be advisable to point out that the sentence in the Chilian Government’s reply quoted by the Chairman with regard to clearing agreements was not altogether in line with Proposal II A.

The Chairman wished to make it clear that the people attending the present meeting were acting solely as experts and were trying to ascertain the exact meaning of the texts which had been submitted to them, in order to be able to enlighten the Chairman of the Co-ordination Committee, and so fulfil their instructions.

M. Gajardo (Chile) entirely appreciated the doubts felt by the experts to whom had been entrusted the study of texts. It would be his agreeable duty to transmit their observations to his Government. If the latter’s reply were not satisfactory, it would, in any case, be clear.

M. Gajardo withdrew.

ESTONIA.

M. Kodar, delegate of Estonia, came to the table of the Committee.

The Chairman said that the Sub-Committee on Proposal II had found that the Estonian Government had taken a decision forbidding the Bank of Estonia to carry out the transactions mentioned in Proposal II. It would be useful to know how far that decision had force of law and how far private individuals and Estonian establishments other than the Bank of Estonia were forbidden to carry out the same transactions. Did the decision as to the Bank of Estonia apply to loans and credits in Estonian currency?

M. Kodar (Estonia) explained that all transactions between Estonia and foreign countries were subject to control by the Bank of Estonia. That being so, he asked whether the experts wished to have further details as to the application of the system.

Mr. Brittain (United Kingdom), Rapporteur on questions connected with Proposal II, stated that the Sub-Committee on Proposal II had wondered whether transactions by individuals or corporations other than the Bank of Estonia were subject to any control; and as, moreover, the Bank of Estonia only appeared to be concerned with transactions with foreign countries in so far as such transactions involved currency transfers, it would be glad to know whether other transactions, which might be effected in Estonian currency and were forbidden by Proposal II, were also forbidden by the Estonian Government.

M. Kodar (Estonia) requested the Committee to allow him time to obtain information from his Government on this point.

M. Kodar withdrew.

FINLAND.

M. Holsti, delegate of Finland, came to the table of the Committee.

The Chairman said the Sub-Committee on Proposal II had considered Finland’s case and had found that, although it had received no text from the Finnish Government, the latter stated that Finnish banking and financial institutions had given a formal undertaking not to engage in the financial operations deemed to be prohibited under Proposal II. Did the Finnish Government intend to convert that undertaking into a legal obligation, and, for that purpose, to promulgate, in due course, a law to be extended to individuals and firms other

1 See Annexe 3, page 55.
2 Document No.: Co-ordination Committee /97.
3 Document No.: Co-ordination Committee/36(f).
4 Document No.: Co-ordination Committee/18(a).
than financial institutions? How far did the existing undertaking apply to the granting of credits in connection with sales of goods? Would such credits come under the law to be promulgated eventually?

M. Holsti (Finland) explained that the Finnish Government had laid a Bill on the table of Parliament, since it was not sure that it possessed the right to take the necessary measures to apply to Co-ordination Committee's proposals without obtaining special powers. To obviate any subsequent complications, the Bill it had framed authorised the Government to take any measures requisite for the application of sanctions of an economic character decreed by the League, without seeking further authority from Parliament. Hence, the Finnish Government would very shortly be in a position to satisfy all the Co-ordination Committee's desiderata.

The Chairman asked whether M. Holsti could say that within a few days, the Finnish Government, basing itself on the new law, after it was passed, would settle by legislative measures the questions involved by the application of Proposal II. At the present moment, there were in the Finnish situation certain gaps which it would be desirable to fill as soon as possible.

M. Holsti (Finland) believed that the Bill tabled by Government would give the latter all the necessary powers to that end; the Government undoubtedly intended to use the powers for which it had taken the initiative of asking. He thought that the question mentioned by the Chairman would be settled by administrative arrangements.

M. Holsti withdrew.

CZECHOSLOVAKIA.

M. Künzl-Jizerský, delegate of Czechoslovakia, came to the table of the Committee.

The Chairman said that the Sub-Committee on Proposal II had found that the Czechoslovak laws for the application of Proposal II took the form of two amendments to a governmental Decree of February 29th, 1924, on the protection of Czechoslovak currency. He asked whether those two amendments sufficed to prohibit indirect loans and credits for Italy or the issues and flotations and subscriptions thereto, prohibited by Proposal II.

M. Künzl-Jizerský (Czechoslovakia) replied that when the Sub-Committee for Financial Measures had framed the terms of Proposal II in October, it had taken the term, indirect loans and credits, as meaning sales on credit. The prohibition against such sales on credit was contained in the second amendment to the Decree of February 29th, 1924.

With regard to issues and flotations, and subscriptions thereto, he pointed out that in Czechoslovakia all issues and flotations, and all subscriptions thereto, required authorisation from the Finance Minister. The Czechoslovak Government having, by decision of October 19th, 1935, adopted Proposal II, the Finance Minister was bound to refuse authorisation for any issue or flotation, or subscriptions to such, covered by that proposal.

Mr. Brittain (United Kingdom), Rapporteur on questions connected with Proposal II, did not think that the Sub-Committee for Financial Measures had contemplated solely the case of sales of goods on credit. It had, he believed, also had in view banking loans and credits to or for Italy.

M. Künzl-Jizerský (Czechoslovakia) was able to state positively that such banking loans and credits were in fact forbidden in Czechoslovakia, but he wished to point out that when Proposal II was being drafted, M. Maximos had made a statement on the lines of that made by M. Künzl-Jizerský himself at the beginning of his previous remarks.

The Chairman said that, in any case, the Sub-Committee on Proposal II had interpreted that proposal in the manner indicated by Mr. Brittain.

M. Suëtens (Belgium), Rapporteur on questions connected with Proposal III, said that there was one point that had attracted the experts' attention in the text of the laws and regulations adopted by Czechoslovakia to give effect to Proposals III and III A and communicated to the experts. The notice issued by the Minister of Industry, Commerce and Supplies, dated November 14th, 1935, did not prohibit in so many terms the importation of goods from Italy or Italian possessions, but brought it under a process of authorisation. He imagined that that was merely a question of form and that, in point of fact, the authorisation would be refused in all cases.

M. Künzl-Jizerský (Czechoslovakia) replied that, as was plain from his letter of November 26th, 1935, to the Co-ordination Committee, the Czechoslovak Government had decided, on October 25th, to prohibit imports of Italian goods. To obviate the somewhat protracted procedure of Parliament, the Minister of Commerce had, in order to give effect to the Government's decision, taken as a basis the provisions already in existence, which enabled him

---

1 Document No.: Co-ordination Committee/41(e).
3 Document No.: Co-ordination Committee/41(f).
to prohibit imports of goods by subjecting them to the process of authorisation. Inasmuch as the sole purpose of the notice issued by the Minister of Commerce in bringing Italian goods under the process of authorisation was to give effect to the Government's decision, it was obvious that the Minister must not authorise any imports of Italian goods other than those enumerated in point 2 (a) and (b) of the notice.

Point 3 of the notice was intended purely for the purpose of bringing the wording of the notice into line, from the standpoint of form, with the provisions on the basis of which it had been issued.

The CHAIRMAN thanked the Czechoslovak delegate for his very clear and precise statement.

M. Künzl-Jizerský withdrew.

PANAMA.

M. Solis, delegate of Panama, came to the table of the Committee.

The CHAIRMAN drew the attention of the delegate of Panama to paragraph B in the letter addressed to the Secretary-General from the head of the Panaman delegation to the League, dated October 30th, 1935. The text read as follows:

"B. As regards Proposals II, III and IV, which refer to financial and economic sanctions, my Government considers it improbable that any important cases will occur in its territory necessitating the application of those sanctions, and it is not at present in a position to determine the precise form in which such cases might arise. Consequently, it does not appear to be reasonable for my Government forthwith to enact measures of a general character which might not be of any practical utility; however, it undertakes, as from the date fixed by the Co-ordination Committee for the commencement of the application of economic and financial sanctions, to take such steps as may be necessary, according to the course of events, to give effect to this class of sanctions."

Could M. Solis give the experts a few explanations concerning that paragraph?

M. SOLIS (Panama) said that he would ask his Government for further particulars on the matter, and he fully expected to be able to give them a reply towards the end of next week.

M. Solis withdrew.

DENMARK.

M. Borberg, delegate of Denmark, came to the table of the Committee.

Mr. SHACKLE (United Kingdom), Rapporteur on questions connected with Proposal IV B, referring to the text of the law communicated by the Danish delegation, asked whether the Danish Government considered that an exporter had done all that was required in respect of Proposal IV B when he had obtained from the consignee an assurance that the goods dispatched would not be re-exported to Italy, or if it considered that his responsibility went further.

M. BORBERG (Denmark) said that he could not reply at once to that question, which he would accordingly communicate to his Government.

M. Borberg withdrew.

NETHERLANDS.

The CHAIRMAN said that the Sub-Committee on Proposal II had no question to put concerning Royal Decree No. 1, of November 14th, but that it appeared that Article 4 of the Law conferring General Powers on the Netherlands Government contemplated certain powers making it possible to grant exemptions from the provisions of the decrees promulgated under the law. Could any particulars be supplied as to the extent of the powers conferred on the Minister for Foreign Affairs by paragraph 1 of Article 4?

Chevalier VAN RAPPARD (Netherlands) said that, as he had already stated that morning, the Netherlands Government need only have communicated to the Co-ordination Committee the various orders issued in application of Proposals I to IV. As, however, Her Majesty's Government did not possess the power to take the necessary measures and had had to receive them by means of a special law, it had communicated to the experts the text of the law passed for that purpose. Articles 4 or 5 had been included in the law because the Netherlands Government was of the opinion that it was indispensable to have certain clauses which would allow exemptions to be made in very special cases, which would, however, be very few. The exemptions allowed for in those articles did not refer solely to the Italo-Ethiopian question.

1 Document No.: Co-ordination Committee /65.
2 Document No.: Co-ordination Committee /57(e).
3 Document No.: Co-ordination Committee /28(g).
4 Document No.: Co-ordination Committee /28(d).
but held good at all times. Hitherto, no exemption had been granted by the Netherlands Government in respect of Proposal II. Should the experts be unable to regard the reply just given as satisfactory, he would suggest that his Government should be asked to supply further information.

Mr. BRITTAIN (United Kingdom), Rapporteur on questions connected with Proposal II, hoped that Chevalier van Rappard would be good enough to ask his Government for additional information, since the power to authorise exemptions raised serious difficulties and so far no Government had reserved that right to itself.

M. VAN ESSEN (Netherlands) stated, in connection with a point raised in the Sub-Committee, that the Netherlands Government had already intimated that it had accepted Proposal II A, and that, acting on its formal instructions, the Dutch Clearing Institute had informed the Clearing Institute in Rome that it would no longer recognise as valid payments made in Rome for consignments effected after November 18th, 1935. Effect had thus been given to clause (a) in Proposal II A. With regard to clause (b), the clearing agreement between Italy and the Netherlands was still in force, but was suspended by reason of the sole fact that exports from the Netherlands could no longer be paid through the clearing system. Lastly, the third clause of the proposal was being applied in toto by the Netherlands, which required that exports of goods be paid for by payments made in the Netherlands.


M. Cemal HUSNÊ (Turkey), Rapporteur for the Geographical Sub-Committee, stated that the Sub-Committee, nominated by the Sub-Committee on Proposals I, III and IV, had met during the afternoon of the previous day and reviewed the territorial division of the world with the object of ascertaining whether there were any territories dependent on States taking part in sanctions which were not covered by the provisions for the application of sanctions issued hitherto by the States concerned, and whether there were any States not members of the League to whom no communication had been sent on the work of the Co-ordination Committee and of the Committee of Eighteen.

(1) It had been found that a number of additional explanations and particulars would be required with regard to the colonial possessions and dependencies of certain Powers. The representatives of those Powers would supply the necessary information for the Committee's next meeting, when the latter would draw up its report in the light of the particulars thus furnished.

(2) The Sub-Committee had found that among the States not members of the League there were some to whom the Chairman of the Committee of Eighteen had made no communication on the work of the Co-ordination Committee or of the Committee of Eighteen.

(3) The Sub-Committee had lastly concerned itself with the case of States non-members who had not yet replied to the communications from the Chairman of the Co-ordination Committee and to whom the experts would perhaps wish to consider the desirability of making some representation.

THIRD MEETING.

_Held on Saturday, November 30th, 1935, at 10.30 a.m._

Chairman: M. WESTMAN (Sweden).

7. Examination, with the Assistance of Representatives of Various Governments, of Certain Points connected with the Application of the Co-ordination Committee's Proposals (continuation).

SWITZERLAND.

The CHAIRMAN read a letter from M. Stucki in which, after apologising for being unable to come to Geneva and give verbal explanations, M. Stucki described the Federal Government's intentions with regard to the regulation of trade between Switzerland and Italy, while at the same time stating that the final settlement of that question was contingent upon the outcome of the present negotiations with Italy concerning the compensation system.

_1_ Document No.: Co-ordination Committee /97.

_2_ See Annex 7, page 46.
It emerged from M. Stucki’s statements that the Federal Government was intending to stabilise imports and exports between Switzerland and Italy at the 1934 level. In 1934, exports from Italy to Switzerland had amounted to 116 million Swiss francs and Swiss imports to Italy to 76 millions, a surplus of 40 millions to Italy’s credit. In the first ten months of 1935, the corresponding figures had been 76 and 62 millions, the surplus in favour of Italy having thus been 14 millions, so that the balance for the entire year would be 16.8 millions. The Federal Government intended that the very small balance still existing in Italy’s favour should not be used by the latter in the form of free currencies, but that it should be earmarked for Swiss interests solely. Switzerland had at present claims in arrears amounting to 20 millions for goods delivered; her financial assets in Italy were close on 500 millions, without counting various claims under the head of insurance, transit, etc.

Exchanges between Switzerland and Italy would be limited, for each quarter, to the figures for the corresponding quarter in 1934, but the Federal Government would reserve the right to apply that norm to the different categories of goods, in order to obviate any changes, in the composition of imports and exports between the two countries, which might be harmful to the interests of Swiss economy.

M. Stucki closed his letter with a statement that he was prepared to give the Committee any additional explanations it might need.

M. Jean Paul-Boncour (France) had understood that the Sub-Committee presided over by M. Antoniade was to have heard a verbal statement by M. Stucki beforehand.

M. Antoniade (Roumania), Chairman of the Sub-Committee on Economic Questions of the Committee of Experts, said that, as M. Stucki was unable to come to Geneva, all that could be done was to take note of his letter and refer it to M. de Vasconcellos, so that the latter might place it before the Committee of Eighteen.

M. Jean Paul-Boncour (France) did not object to the course suggested by M. Antoniade, provided it was understood that the matter was not settled by M. Stucki’s letter.

M. Militchevitich (Yugoslavia) hoped that the various delegations represented on the Committee of Experts would have an opportunity of stating their views before the question was referred to the Chairman of the Committee of Eighteen.

Mr. Loveday, Secretary of the Co-ordination Committee, explained that certain questions with regard to Switzerland had been raised by the Financial Sub-Committee, which had not yet had an opportunity of hearing the Swiss delegation’s explanations. The chief questions were the interpretation of the terms “branches” (filiales), “agencies” (représentations) and “participations” (participations) used in Article 2 of the Federal Council’s decree,\(^1\) and the question whether Proposal II applied to Liechtenstein as well. He therefore suggested that M. Stucki should be heard on all the questions concerning Switzerland before a decision was taken.

The Committee decided to instruct the Secretariat to write to M. Stucki for information on the above points and to fix a date for hearing him as close as possible to the meeting of the Committee of Eighteen.

Bolivia.

The Chairman read the following record of the telephone conversation which the Secretariat had had with M. Costa du Rels, delegate of Bolivia, on November 28th, 1935:

“M. Costa du Rels stated that he could not come to Geneva to-morrow, Saturday, to be heard by the Committee of Experts, as he had a very important appointment that day. He could, however, come to Geneva in the middle of next week, and would, in any case, be there during the meeting of the Committee of Eighteen.

“He would hardly, however, be able to supply much information other than that contained in his Government’s last telegram. His Government was quite ready to promulgate the measures proposed by the Co-ordination Committee. It was considering ways and means of promulgating, in the absence of Parliament, and while observing the Constitution, which was very rigid, the necessary decree-laws. M. Costa du Rels said that his Government would do so from a feeling of international solidarity, although it was fully aware that those measures would be of purely platonic value. Italian imports into Bolivia were quite negligible and all the metals exported by Bolivia went to English or American firms.”

Latvia.

M. Feldmans, delegate of Latvia, came to the table of the Committee.

The Chairman explained that, on going through the Latvian Government’s reply to Proposal II, the Financial Sub-Committee had found that the Secretariat had received only the text of the general law\(^2\) authorising the Government to promulgate decrees in application of Article 16 of the Covenant, and not the decrees themselves promulgated under that law to give effect to the Co-ordination Committee’s various proposals. He asked the Latvian delegate whether he proposed to supply the texts of the decrees or whether he wished to give any verbal explanations.

---

\(^1\) Document No.: Co-ordination Committee/58(a).

\(^2\) Document No.: Co-ordination Committee/16(e).
M. Feldmans (Latvia) replied that the texts of the decrees had been received from Riga at the same time as that of the general law, but that the permanent delegation had had to take the necessary time to translate them. The texts had been handed to the Secretariat that morning, and would be circulated.¹

He desired to point out that the principal law laid down that the decrees taken under that law by the heads of the various Departments must receive the approval of the Council of Ministers. Although it was not stated in the body of the decrees that such approval had been given, it was clear from the covering letter from the Chancellery of State accompanying each decree, that the approval of the Council of Ministers had been obtained. The Latvian delegation would forward the covering letters, if the Committee so desired.

He added that the documents communicated so far concerned Proposals I, II, III and IV. The decrees relating to Proposals IV A would be received on December 2nd only.

The Chairman thanked M. Feldmans for his explanations. He did not think it necessary for him to communicate the covering letters.

M. Feldmans withdrew.

Salvador.

The Committee had before it a telegram from the Government of Salvador ² informing the Secretariat that it was not able to apply all the Co-ordination Committee’s proposals, but that Proposal III had been applied and that imports from Italy and her possessions had been prohibited as from November 28th.

8. Application of the Co-ordination Committee’s Proposals to Territories dependent on States taking part in Sanctions.

France.

The Chairman read a letter from the French Government ³ indicating that the decrees relating to sanctions covered all the French colonies, including Saint Pierre and Miquelon and Indo-China, the African territories under French mandate, the Levant territories under French mandate and Tunisia. As to Morocco, owing to the special position of that territory, which formed a Customs union with the two other zones of the Sherifian Empire, there would have to be some adjustment as regards the date of application of the decrees, and this was at present under consideration. The date on which sanctions would be applied by Morocco would be communicated later.

Norway.

A letter from the Norwegian Government was read,⁴ stating that Spitzbergen was not included in the territory covered by sanctions, but that this point was of no practical importance, as there was no shipping whatever between Spitzbergen and the mainland, owing to the ice.

United Kingdom.

Mr. Stevenson (United Kingdom) explained that as yet no reply had been received from the United Kingdom as to the territories covered by the provisions on sanctions. A reply was expected during the coming week and would be communicated in due course to the Secretariat.⁵

Australia.

Mr. Stevenson (United Kingdom) stated that he had been informed by telephone that the Australian Order-in-Council also covered Norfolk Island, Papua and New Guinea.

Spain.

M. Teixidor (Spain) informed the Committee that the Spanish authorities had got into touch with the French authorities with a view to arranging means by which sanctions should be applied in the Spanish zone of Morocco.

¹ Document No.: Co-ordination Committee/16(f).
² Document No.: Co-ordination Committee/67(a).
³ Document No.: Co-ordination Committee/17(h).
⁴ Document No.: Co-ordination /Experts/5.
⁵ See page 34.

Mr. Loveday, Secretary of the Co-ordination Committee, pointed out that the decisions reached by the Co-ordination Committee had not been communicated to a number of non-member States, more particularly the independent States of Arabia. He suggested that the attention of the Chairman of the Committee of Eighteen should be drawn to that fact.

Mr. Loveday's proposal was adopted.

10. Form of the Report to be submitted to the Chairman of the Co-ordination Committee.

Mr. Loveday, Secretary of the Co-ordination Committee, asked the Committee for its advice with reference to the main lines according to which the report to the Chairman of the Committee of Eighteen should be drawn up.

He enquired whether he was right in assuming that the first section should indicate, on the basis of the examination of the replies received from Governments, how many States had, in fact, carried out the Co-ordination Committee's proposals. The second section should show what States had communicated the texts of the laws relating to the application of the said proposals. The third section should point out that the experts were not in possession of precise information as to the action taken by certain States, because the relevant texts had not been furnished. Lastly, the fourth section might mention the territories covered by or excluded from the action taken.

As regards points on which the experts felt that proposals had been misunderstood or inadequately carried out, attention might be drawn to specific points concerning a particular country, or the experts might simply say that during the discussions doubts had arisen as to the interpretation placed on certain points of the proposals.

He thought it would be better to make the report itself somewhat general. Any observations concerning the attitude of the various countries might be put, not in the report itself, but in a private letter to the Chairman of the Committee of Eighteen.

M. Jean Paul-Boncour (France) stated that, if it were understood that defaulting countries would be mentioned in the report itself, he approved the plan described by Mr. Loveday. He pointed out, nevertheless, that the experts had only been able to form their opinion on the basis of the texts communicated to them. They had been unable to decide whether those texts were effectively applied in practice or not. For that reason, the point should be mentioned at the beginning of the report.

M. Soubbotitch (Yugoslavia) said that it was important to give in the report the definitions of the various expressions, the interpretation of which was of importance from the point of view of the application of the Co-ordination Committee's proposals. He had more particularly in mind the expression "commercial credits".

Mr. Stevenson (United Kingdom) did not think any useful purpose would be served by splitting up the report into two parts, one to be published and the other to remain confidential. In his opinion, the report need not contain only favourable remarks. If the experts were of opinion that the action taken by some countries fell short of what was desirable, they should say so.

M. Hirschfeld (Union of Soviet Socialist Republics) agreed with Mr. Stevenson. The experts' report should contain all the facts, whether they were satisfactory or not. Moreover, there should be a certain gradation in the description of the gaps found in the operation of the sanctions machinery.

On the other hand, the experts should not confine themselves to the facts. They should also make suggestions taking into account the realities of the situation. Those suggestions should be designed to improve the technical application of sanctions, so as to facilitate the task of the Committee of Eighteen, particularly with regard to the moral pressure to be exercised, should it be necessary, on States evading their obligations. This result might be achieved to some extent by asking countries which did not apply sanctions, or applied them only partly, for additional explanations.

M. van Essen (Netherlands) endorsed M. Paul-Boncour's observations as to the circumstances in which the experts had studied the texts communicated to them, as they had not been able to decide whether those texts were being effectively applied. In his opinion, the passage on this subject to be inserted at the beginning of the report should be amplified.

He had in mind, in particular, the possibility of indirect supply in connection with Proposal IV B, on which question a number of countries had given no reply. He suggested the insertion of a passage recommending Governments to obtain information from one another as to suspected cases of fraud or indirect supply and to give mutual assistance in this respect.

M. Teixidor (Spain) approved, in principle, the scheme outlined by Mr. Loveday. He understood that the facts to be described in the report would relate to the position on December 12th, 1935. In this connection, he wished to point out that some proposals had received greater
attention from Governments than others that had been adopted later. Perhaps by December 9th a larger number of replies would have been received as to the proposals hitherto left on one side, in particular, Proposals II A and IV B.

Mr. Loveday, Secretary of the Co-ordination Committee, explained that, in suggesting that observations relating to specific countries should not be made in the report, he had desired to ensure equal treatment to all countries. It was obvious that the countries near to Geneva that were able to send a representative to Geneva to supply explanations were in a better position than more remote countries such as those of South and Central America, which were unable to do so. It had been sufficient for the representative of Czechoslovakia to give verbal explanations to elucidate all questions as to the action taken by that country. It was highly probable that documents from remote countries which were already on the way would contain all the explanations the experts desired. In those circumstances, it seemed to him that it would be unfair to mention in a report that was to be published observations which would perhaps not have been made if the countries concerned had been able to explain their position.

Nevertheless, he thought this question might be settled practically in the following way. The Secretariat would attach to the draft report a list of questions raised during the examination of the replies received from Governments, and when they met again, the experts would take a decision as to the form in which the attention of the Committee of Eighteen should be drawn to those questions.

Mr. Loveday's proposal was adopted.

The Chairman emphasised the importance of M. Teixidor's observations with regard to Proposals II A and IV B. He suggested that the Secretariat should consider, from the replies received in the meantime, whether the telegram sent to Governments on this subject was sufficient or whether another reminder should be sent.

The Chairman's proposal was adopted.

11. Date of the Next Meeting.

The next meeting of the experts was fixed for December 10th, 1935.


Mr. Loveday, Secretary of the Co-ordination Committee, thought that, in order to prevent any misunderstanding owing to the break in the experts' work, it should be explained in the Press communiqué that this was not an adjournment, but a suspension in order to allow the documents on the way to reach the Secretariat.

Mr. Loveday's proposal was adopted.

FOURTH MEETING.

Held on Tuesday, December 10th, 1935, at 11.15 a.m.

Chairman : M. Westman (Sweden).


Mr. Loveday, Secretary of the Co-ordination Committee, submitted the draft report, dated December 7th, which the Secretariat had been instructed to prepare. He drew attention to various changes which were required to bring it up to date.

With regard to Section VIII, he was of opinion, after careful consideration, that it would be better to treat the different points arising with regard to particular countries only in a general manner.

Mr. Stevenson (United Kingdom) thought, after a cursory examination of the draft report, that all the points about which the United Kingdom delegation was concerned had been dealt with in Section VII. When the blanks under the section dealing with Proposal III were filled in, therefore, Section VIII could probably be omitted.
The Chairman proposed that consideration of the draft report be referred to two Sub-Committees, one of which would be the Sub-Committee on Proposal II set up during the earlier proceedings of the experts, and the other a Sub-Committee consisting of the rapporteurs on questions concerning all the proposals except Proposal II.

The Chairman's proposal was adopted.

14. Synoptic Table of Replies received from Governments in connection with the Co-ordination Committee's Proposals.

M. de Bordes (Secretariat) submitted the synoptic table of replies from Governments prepared by the Secretariat. He drew attention to various corrections and additions which were required to make it accurate and bring it up to date.

M. Soubbotitch (Yugoslavia) pointed out that the Secretariat had submitted synoptic tables relating to all the proposals except Proposal V, and asked that the replies made specially or in passing to this proposal should also be set out in a synoptic table.

M. Soubbotitch's proposal was adopted.

FIFTH MEETING.

Held on Tuesday, December 10th, 1935, at 5 p.m.

Chairman: M. Westman (Sweden).

15. Examination of the Draft Report prepared by the Secretariat for Submission to the Chairman of the Co-ordination Committee: Sections I to V.

The Committee approved Sections I to V, with certain changes and additions in matters of detail.

16. Examination, with the Assistance of Representatives of Various Governments, of Certain Points connected with the Application of the Co-ordination Committee's Proposals (continuation).

Chile (continuation).

M. Gajardo, delegate of Chile, came to the table of the Committee.

M. Gajardo (Chile) said that on the day following his hearing by the experts he had read in a Geneva newspaper a phrase taken from his remarks. He therefore asked whether the experts' meetings were private or public, since, if they were to be public, he would like the accounts of his remarks, if any were supplied to the Press, to be more complete than the one he had read in the newspaper in question.

The Chairman replied that the experts' meetings were private; he had not himself seen the article mentioned, but it could only be a question of a most regrettable indiscretion.

M. Gajardo (Chile) then recalled the questions which the experts had put to the Chilian Government.

The first was that concerning the telegram from the Chilian Foreign Ministry to the Secretary-General, dated October 31st, 1935. The telegram contained the following passage:

"The Government of Chile likewise agrees to carry out Proposal III, except in the case of imports arising out of clearing operations, especially such as may have already been begun when the proposal comes into effect."
The experts wished to know at what time the Chilian Government intended to put Proposal III into force and the exact meaning of the words, "especially such as may have already been begun when the proposal comes into effect ".

On behalf of his Government, he made the following reply to the first of those two questions. The Chilian delegation on the Co-ordination Committee had made a reservation with regard to the date for November 18th, 1935. 1 In its telegram to the Secretary-General of October 31st, 1935, the Chilian Government had contemplated, for the entry into force of the Co-ordination Committee's proposals, a time-limit of between fifty and sixty days necessitated, as the Chilian delegation had already explained more than once, by the length of communications between Chile and Italy. A complete voyage between the two countries on a boat belonging to the Italian shipping line plying between Genoa and Chile took not less than fifty to sixty days. The Chilian Government maintained that reservation, and had authorised him to say that it was contemplating the same time-limit both for the proposals already adopted by the Co-ordination Committee and for any proposals which that Committee or the Committee of Eighteen might adopt in future.

As to clearing operations, the Chilian Government, as was shown by the extract from its telegram quoted above, excluded them from the application of Proposal III, and when it said "especially such as may have already been begun when the proposal comes into effect ", its intention was to cover transactions outstanding at the time considered.

The experts had also drawn the Chilian Government's attention to the fact that the permanent Chilian delegation's letter of November 20th, 1935, stated that the laws in force in Chile conferred upon the International Exchange Commission the necessary powers to give effect to Proposal II. The experts, on the assumption that the Exchange Commission's powers probably covered only transactions for the conversion of sums in Chilian currency into foreign currencies, had asked whether the loans and credits granted to Italy in Chilian currency and the granting to Italians of credits in respect of sales of goods were prohibited. The Chilian Government's reply to the first of these two questions was in the negative; no credits, in Chilian currency, would be granted to Italians. In regard to the second, M. Gajardo reminded the experts that when Proposal II was adopted, representations had been made to the Chilian delegation on behalf of one of the Sub-committees that the delegation had consulted its Government at that time and had replied that commercial credits were covered by the application of Proposal II by Chile. He was able to say to-day that no credits would be granted to Italians for sales of goods.

M. Gajardo hoped he had thus answered the questions put by the experts regarding his Government's replies to the Co-ordination Committee's proposals.

He asked whether he might take the present opportunity to give at a meeting of the experts the replies which his Government had not yet communicated on certain of the proposals adopted by the Co-ordination Committee. He believed that, in doing so, he would be meeting the wishes of the Chairman of the Co-ordination Committee, who, on behalf of that Committee, had sent the Chilian Government a cable asking for more detailed explanations as to Chile's position with regard to the proposals adopted by the Co-ordination Committee on the date of the cable itself.

The Chairman said that the Chairman of the Co-ordination Committee had, in fact, put certain other questions to the Chilian Government. He believed that M. de Vasconcellos' idea was that the replies to those questions should be given at a meeting of the experts.

M. Gajardo (Chile) thanked the experts for giving him an opportunity to supply them with the answers to the questions put by M. de Vasconcellos.

The first question which he had to answer concerned the date mentioned in Proposal II. 3 The Chilian Government felt unable to accept that date, and the same observation applied to Proposals III and IV, which stipulated the same date. The date which it contemplated was at the end of a period of sixty days counting from the date when the proposal in question had been adopted by the Co-ordination Committee or the Committee of Eighteen.

The next matter was the conclusion adopted by the Co-ordination Committee concerning fully-paid contracts. 4 The Chilian Government had no objection to accepting that conclusion.

The Chilian Government's reply in connection with the resolution concerning outstanding claims 5 was also in the affirmative, but subject to the reservation that clearing transactions would be excluded.

Proposal II A 6 contemplated the denunciation of clearing agreements with Italy as from November 18th, 1935. The Chilian Government felt unable to accept that proposal, but had instructed him to make the following statement: the Chilian Government would do its utmost to reduce its exports to Italy, so as to reduce, at the same time, Italian exports to Chile, through the operation of the clearing system.

With regard to books, newspapers, etc., the Chilian Government accepted Proposal III A. 7

--- 32 ---

2 Document No.: Co-ordination Committee/47(c).
3 Documents Nos.: Co-ordination Committee/40 and 89.
4 Document No.: Co-ordination Committee/80.
5 Document No.: Co-ordination Committee/97.
Proposal IVA — embargo on certain exports to Italy — might be described as still in the air. The Chilian Government felt that it was undesirable to go too fast in the matter, and that it would be better first to ascertain the practical results obtained by the application of the proposals already in force.

With regard to indirect supply, the Chilian Government accepted Proposal IVB1 and was taking the necessary measures. The texts of the decrees adopted would be sent to M. Gajardo by air-mail.

As to contracts in course of execution (resolution adopted by the Committee of Eighteen on November 6th, 1935), the Chilian Government stated that, to its knowledge, there were, on the date on which it had made its communication, no contracts of the kind covered by that resolution.

The Chilian Government was making a great effort to fulfil its duties as a Member of the League and to give effect to the obligations contained in Article 16 of the Covenant. Its effort consisted in the attempt to stop exports to Italy, so as to bring about a stoppage of Italian exports to Chile, since the Chilian Government did not feel it possible officially to denounce its clearing agreement.

Mr. Shackle (United Kingdom), Rapporteur on questions connected with Proposal IV, enquired as to the position of the Chilian Government with regard to Proposal IV. Did that Government intend to apply that proposal sixty days after November 18th, 1935?

M. Gajardo (Chile) replied in the affirmative.

The Chairman asked whether, on the expiry of the sixty days' time-limit, Chile would give effect to Proposals II, III and IV, with the exception of the clauses concerning clearing transactions.

M. Gajardo (Chile) replied in the affirmative.

Mr. Brittain (United Kingdom), Rapporteur on questions connected with Proposal II, asked whether M. Gajardo's last reply held good for Proposal II; the experts had understood that that proposal was already in force.

M. Gajardo (Chile) explained that the reservation concerning the date of application of the proposals was a general reservation. It held good, he repeated, both for the proposals already put forward and for any which the Co-ordination Committee or the Committee of Eighteen might put forward in future.

The Chairman drew M. Gajardo's attention to the following sentence in the telegram from the Chilian Foreign Ministry to the Secretary-General, under date of October 31st, 1935: "the Chilian Government has taken the practical steps necessary for the application of the Co-ordination Committee's Proposal II as regards such of the operations contemplated in that proposal as can be considered on our money market."

From this it might be assumed that Proposal II had already been put into application, but after what M. Gajardo had just said, the proposal would only be put into force sixty days after the date on which it had been adopted.

M. Gajardo (Chile) repeated that, according to the information supplied to him, the time-limit in question applied generally.

Mr. Brittain (United Kingdom), Rapporteur on questions connected with Proposal II, wondered whether M. Gajardo would have any objection to asking his Government whether it thought it necessary to apply this time-limit to the putting into force of Proposal II as well as to that of Proposals III and IV. It hardly seemed that the same reasons existed in the case of Proposal II.

M. Gajardo (Chile) replied that, speaking personally, he would have no objection to forwarding to his Government the question which was of interest to the experts — namely, whether the Chilian Government could consider applying the time-limit to certain proposals only.

The Chairman pointed out that the experts felt it would be particularly desirable that the application of the time-limit should be restricted to Proposal III.

M. Gajardo (Chile) was perfectly ready to consult his Government on the point. He would send a telegram saying that it was desired that the Chilian Government should limit the application of the sixty days' time-limit to Proposal III.

M. de Bordes (Secretariat) mentioned that, in its telegram of October 31st, 1935, the Chilian Foreign Ministry had reserved its right to adopt a time-limit of application in the case of Proposal III only.
SIXTH MEETING.

Held on Wednesday, December 11th, 1935, at 10.30 a.m.

Chairman: M. WESTMAN (Sweden).

17. Examination of the Draft Report prepared by the Secretariat for Submission to the Chairman of the Co-ordination Committee (continuation): Sections VI et seq.

Section VI.

M. Fouques-Duparc (France) recalled that information had been received to the effect that conversations were in progress with a view to the application of sanctions by Morocco. Preliminary conversations were, in fact, essential in the case of that territory, and it would be too soon to say that sanctions were already being applied there.

As regarded the leased territory of Kwangchow Wan, that territory formed part of the Indo-Chinese Union, and sanctions were being applied there.

M. Teixidor (Spain) confirmed the statement he had made on November 30th regarding Morocco, and endorsed M. Fouques-Duparc's remarks.

Mr. Stevenson (United Kingdom) gave the following information:

Sanctions were applicable in Southern Rhodesia, in accordance with the Order in Council. A communication had been received to the effect that they were also applicable in the Sudan, but the text of the Order in Council had not yet come to hand and it was not known to which categories of sanctions it referred.

Burma was covered by the Order in Council for India. This did not apply to Nepal and Bhutan, which were regarded as outside India.

With reference to the territories leased in China, measures had been taken to ensure that the Chinese Government's decisions in regard to the application of sanctions should apply to British subjects resident in China. Special regulations on the matter might have to be introduced later.

M. Fouques-Duparc (France) said that, as regarded foreign concessions in China, the position of French nationals was the same as that of British subjects. The decrees at present in force, and in particular that of October 28th last, provided that sanctions would apply to French nationals resident in a country in which they enjoyed special jurisdiction, provided the Government of that country had enacted similar measures.

The territorial application of sanctions to the foreign concessions in China raised delicate problems, owing to the fact that foreigners enjoying immunities similar to those of French nationals had to deal with their consul. As matters stood at present, it would be impossible to draw up territorial legislation for the concessions.

In reply to questions put by Mr. Loveday, Mr. Stevenson (United Kingdom) explained that France was the only country with a concession in China. Strictly speaking, there was no British concession, but only British subjects residing in the International Concession. The measures to which he had referred applied, in general, to all British subjects resident in China.

Mr. Loveday, Secretary of the Co-ordination Committee, did not think that the leased territories need be specially mentioned, since there was only one, Kwangchow Wan. If this were agreed, only the concessions would be mentioned.

He then asked what was the position in regard to the Spanish colonies.

M. Teixidor (Spain) said he was awaiting a reply on the matter. The decree relating to the Spanish colonies had not yet appeared. He expected to receive definite information in the course of the evening, and if it arrived before the drafting of the report had been completed, it would be unnecessary to insert a reservation regarding those colonies.

M. Hirschfeld (Union of Soviet Socialist Republics) asked whether the suggestion made by the Special Sub-Committee to attach to the report an approximate list of non-member States which might be invited to participate in the sanctions was to be adopted.

1 See page 28.
Mr. Loveday, Secretary of the Co-ordination Committee, understood that the experts had finally decided simply to draw the Chairman’s attention to the matter, and to leave it to him, in consultation with the Secretary-General, to take such steps as were considered appropriate. As it was a delicate question, it might perhaps be better not to make any express reference to it. Moreover, as stated in Section I of the present report, the Chairman could consult the experts on the matter.

M. Hirschfeld (Union of Soviet Socialist Republics) thought it would be sufficient to make a very discreet allusion in the report to the fact that the experts had considered the advisability of approaching non-member States, adding that the question had been left to the Chairman of the Committee of Eighteen and the Secretary-General.

M. Hirschfeld’s proposal was adopted.

M. van Essen (Netherlands) suggested that a reference to the mandated territories should be inserted in the section under discussion.

M. van Essen’s proposal was adopted.

In reply to a question by Mr. Loveday, M. Fouques-Duparc (France) said that it would be better to mention the case of Morocco expressly.

Mr. Stevenson (United Kingdom) announced that the Government of Newfoundland was taking the necessary measures for the application of Proposals III and IV. The texts had not yet been received, but it was known that they had been promulgated. The measures taken by the Government of Newfoundland applied to Labrador as well.

Section VI, as amended, was approved.

Section VII.

Paragraph (a).

M. Fouques-Duparc (France) wished to submit an observation applying generally to the various paragraphs in the report dealing with the means of execution. How would the Committee of Eighteen communicate with the Governments? Would it leave that to the experts or to the Secretariat?

Mr. Loveday, Secretary of the Co-ordination Committee, explained that his idea was that the Committee of Eighteen might simply adopt the report of the experts and send the Governments a general letter drawing their attention to the points in Section VII; if the experts thought it also necessary to draw the attention of any particular Government to some special point, that would be mentioned in the same letter. It might be presumed that the report, if adopted by the Committee of Eighteen as it stood, would be circulated to the members of the Co-ordination Committee, together with a covering letter from the Secretary-General, as in the case of the previous documents.

M. Fouques-Duparc (France) wondered whether it was advisable to send a circular letter to all countries, when the object was merely to draw attention to two or three cases. There was a risk that the inclusion of special questions in a circular letter might make them less effective. As regards the means of execution, it might perhaps be suggested that the experts or rapporteurs should agree on the wording of the letters to be sent to those Governments whose position had been found not to be quite satisfactory.

The Chairman suggested, since the report would be brought to the notice of the various Governments, the addition of short notes drawing the attention of the Governments concerned to the various points which affected them.

M. Fouques-Duparc (France) approved that suggestion.

Mr. Loveday, Secretary of the Co-ordination Committee, asked whether the experts proposed themselves to draw up later a list of the special points to be brought to the notice of particular Governments, or whether the rapporteurs of the special Sub-Committees would be instructed to do so.

The Chairman thought it would suffice if the rapporteurs gave the necessary instructions.

The Chairman’s proposal was adopted.

Paragraph (b).

M. Fouques-Duparc (France) proposed that the second sub-paragraph of paragraph (b) should be amplified as follows: “. . . draw the attention of Governments whose measures have been taken on the basis of Proposal I . . .”.

Mr. Loveday, Secretary of the Co-ordination Committee, pointed out that it was not yet absolutely clear in what cases the Governments had applied Proposal I or Proposal I A.

M. Friis (Secretariat) confirmed that there were very few cases in which this point was clear from a study of the texts received, but there were some cases of the kind.
Mr. LOVEDAY, Secretary of the Co-ordination Committee, suggested the following text:

"... draw the attention of Governments which have not yet effected this substitution ..."

M. Fouques-Duparc (France) said that, if the principle were agreed, the wording would be found easily.

**Paragraph (c).**

M. Kulski (Poland) proposed to strike out the last sentence in the first sub-paragraph, reading as follows:

"Measures which may be appropriate in one country may be inadequate in another."

M. Kulski's proposal was adopted.

With reference to the second sub-paragraph, M. Kulski (Poland) thought that it would be useless to overburden the Committee's files by asking Governments to state any special difficulties they might have experienced. This raised, moreover, a question of the sovereignty of States; reliance must be placed on the good faith of States in conforming to their international pledges.

Mr. Loveday, Secretary of the Co-ordination Committee, had acquired the impression during the previous discussions that the experts thought it would be useful for the Governments to exchange the results of their experience in the matter. The documentation thus collected would make it possible to gauge the effectiveness of the measures taken. That had been said in the Rapporteur's report. Information as to the experience acquired by each country might be useful to the other countries.

M. Van Essen (Netherlands) suggested adding a sentence to say that information which the Governments might send to the Committee of Eighteen would be centralised at the Secretariat and distributed by it to the other Governments. That would be better than leaving it to each Government's discretion whether to send the information or not. Such a procedure would represent a sort of mutual support for getting over the difficulties in question.

M. Kulski (Poland) recalled that the Chairman of the Committee of Eighteen was authorised, by a resolution of November 6th, to give advice to Governments when they experienced a difficulty they could not settle. Every Government that was actuated by good faith already knew, therefore, that it could apply for help from the Chairman of the Committee of Eighteen and from the Committee of Experts.

M. Militchevitch (Yugoslavia) thought that, speaking strictly from the experts' point of view, it was impossible to avoid asking for the information mentioned in the draft report, even if the documentation were bound to be very bulky. It was essential to know exactly the situation in each country in regard to the application of sanctions, and the experts must, if so required, enable the Chairman to give such advice as might be requested of him.

After some discussion, M. Kulski (Poland) proposed striking out in the middle of the second sub-paragraph the words "and at the same time of any special difficulties they have experienced"; and adding at the end of the sub-paragraph a sentence on the following lines: "Whenever the Governments experience difficulties in applying the measures in question, they are entitled to apply for advice to the Chairman of the Committee of Eighteen, in accordance with the resolution of November 6th."

M. Kulski's proposals were adopted.

M. Van Essen (Netherlands) asked whether it was understood that the information thus received would not remain with the Chairman of the Committee of Eighteen or with the Secretariat but would be sent to the various Governments as well.

Mr. Stevenson (United Kingdom) said it was to be presumed that any difficulty to which a Government might think fit to call the attention of the Chairman of the Committee of Eighteen would deserve to be communicated to the various Governments.

**Paragraph (d).**

The Chairman, as delegate of Sweden, recalled the terms of the declaration made by M. Sandler, Minister for Foreign Affairs, to the Committee of Eighteen on October 14th last. M. Sandler had stated what he intended to do in Sweden in regard to Proposal II, and had added that the arrangement reached seemed to the Swedish Government to be effective from a practical point of view. Nevertheless, the Swedish Government was prepared, if necessary, to complete those measures by new legislative provisions when Parliament met at the beginning of January 1936.

The Chairman added that he agreed to the present text of the draft report.

M. de Bordes (Secretariat) pointed out that the same question had arisen as regards Finland. The Finnish Government had obtained a promise from the banks, but had not turned it into a legal obligation. At the request of M. de Bordes, M. Holsti had stated that he had

---

1 Document No.: Co-ordination Committee/97.
received from Helsinki a telegram informing him that the Finnish Parliament had adopted a general law authorising the Government to take the requisite steps, and M. Holsti personally felt sure that, in a few days, the Finnish Government would pass a decree regarding Proposal II. M. Holsti would send a telegram on the subject to his Government that day.

Paragraphs (e) and (f).

No observations.

Paragraph (g).

On the proposal of M. Suetens (Belgium), the words "the Committee understands" were deleted at the beginning of the paragraph: "the Committee understands this proposal to be a simple suggestion . . .".

Section VII, as amended, was approved.

SECTION VIII.

Mr. Loveday, Secretary of the Co-ordination Committee, thought it desirable to add to this section particulars of a number of points which had not been elucidated. Thus, for example, the Argentine Republic had been written to, not only in regard to Proposal I, but also Proposal II. The letter was at present on its way. It would be desirable to add an indication enabling the experts to revert later to certain points if necessary.

Mr. Loveday's proposal was adopted.

QUESTION OF NON-MEMBER STATES.

M. Teixidor (Spain) referred to the question raised by M. Hirschfeld in connection with Section VI regarding certain non-member States. In order to give a complete idea of the situation as regards the application of sanctions, it would perhaps be desirable to mention the non-member States which had been invited to apply sanctions and those which had decided to apply them.

Mr. Loveday, Secretary of the Co-ordination Committee, agreed that, in that respect the report was incomplete. Nevertheless, the problem was a very delicate one, and it was questionable whether the experts were competent to make a statement regarding measures taken by non-member States, as such a statement might be incorrect or incomplete. On reflection, he thought it would perhaps be better to give a rather less favourable picture of the position than was actually the case, rather than to run the risk of raising delicate political questions.

M. Teixidor (Spain) did not press his point.

Mr. Brittain (United Kingdom) asked whether the Secretariat, when sending the report to the Governments, could add a paragraph in cases where Governments had not sent any text regarding the various proposals.

Mr. Loveday, Secretary of the Co-ordination Committee, said that the Secretariat would bear that suggestion in mind in communicating the report to the Governments.

INFORMATION REGARDING PROPOSAL V.

M. Soubbotitch (Yugoslavia) thought that the replies received with regard to Proposal V should appear in the report in the same way as the replies to the other proposals. The report might be incomplete if the examination of the replies received on that subject were left until the last moment. He would like to add that he had no ulterior motive in raising the question; he only wanted the report to be complete.

Mr. Loveday, Secretary of the Co-ordination Committee, said that, if a section on Proposal V had to be added to the report, it would be useful for the Secretariat if the examination of the documents received were entrusted to a rapporteur.

After an exchange of views, it was agreed that M. Soubbotitch (Yugoslavia), M. van Essen (Netherlands) and M. Suetens (Belgium) would consult together as to the interpretation to be given to the replies to Proposal V.

The Chairman pointed out that the Swedish Government’s reply (Document No: Co-ordination Committee/23) must be regarded as a general acceptance of Proposal V.

REPLIES TO PROPOSAL IV A.

The Chairman noted that very few replies had been sent; nevertheless, a number of declarations had been made to the Committee of Eighteen.
Mr. LOVEDAY, Secretary of the Co-ordination Committee, did not think that Proposal IV A came within the scope of the questions to be examined by the experts. Certain Governments, indeed, had not been invited to make declarations on that subject, and the fact that some of them had not stated their views did not imply a negative answer.

The CHAIRMAN confirmed that observation. As regards Sweden, for example, nothing had been asked from that country, but Sweden was nevertheless prepared, in principle, to accept the proposal.

SUMMARY OF THE REPLIES FROM GOVERNMENTS (Table attached to the report to the Chairman of the Co-ordination Committee).

The Committee proceeded to examine the table and introduced the necessary details or rectifications as regards Chile, Ecuador, Panama and Salvador. As regards Bolivia, the Committee agreed to wait for official confirmation of the particulars supplied by the League's liaison agent in that country.

18. Examination, with the Assistance of Representatives of Various Governments, of Certain Points connected with the Application of the Co-ordination Committee's Proposals (continuation).

CHILE (continuation).

M. Gajardo, delegate of Chile, came to the table of the Committee.

M. GAJARDO (Chile), acting on his Government's instructions, and in reply to the observations that had been made and to the desire expressed by the whole Committee, stated that the time-limit of sixty days would apply to all present or future sanctions which involved or would involve a prohibition of importation or exportation.

Mr. BRITTAIN (United Kingdom) asked whether that applied to the granting of export credits.

M. GAJARDO (Chile) thought that it was for the experts themselves to answer that question. He repeated the terms of his previous statement and added that, if Proposal II or any other proposal involved an export or import prohibition, the period of sixty days would have to apply. If that were not the case, the period would not apply.

M. SUETENS (Belgium) asked whether the period of sixty days counted from November 18th, 1935, or from the date of publication of the decree.

M. GAJARDO (Chile) replied that, in accordance with the procedure established during the discussions and negotiations that had taken place, it had been stated that the proposals adopted by the Co-ordination Committee would be subject to approval by the Governments. Moreover, when those proposals had been submitted, a date had been indicated — namely, November 18th. Consequently, the period of sixty days would have to count from that date. Naturally, that date would apply only to proposals already adopted. M. Gajardo stated that, for the future, his Government would adopt the same time-limit.

The CHAIRMAN, referring to the Chilian Government's telegram of October 24th, understood that the time-limit did not apply to Proposal I.

M. GAJARDO (Chile) replied that the experts were better able to give an opinion on that subject than he himself. The question was whether or not an import or export prohibition was involved.

M. Gajardo withdrew.

LUXEMBURG.

M. SUETENS (Belgium) stated that he had been asked to repeat a declaration that he had already made on behalf of Luxemburg. The Luxemburg decrees on sanctions did not, strictly speaking, involve prohibition; they required previous authorisation, but it was understood that such authorisations would never be granted.

NETHERLANDS (continuation).

Chevalier VAN RAAPPARD (Netherlands) stated that, despite the rather general wording which the Netherlands Government had used in reserving the right to make exceptions, such exceptions were made only in very special and very rare cases and would in the future also be made only in very special and very rare cases. Consequently, those exceptions would not prevent the Netherlands Government from applying the sanctions with full strictness.

The CHAIRMAN added that that declaration had already been made before the Sub-Committee for Financial Measures, which had considered it satisfactory.

1 See pages 22 and 31.
2 Document No.: Co-ordination Committee/47,