FIRST MEETING.

Held on Tuesday, April 21st, 1936, at 11 a.m.

Chairman : M. WESTMAN (Sweden).

1. Opening of the Session.

M. DE VASCONCELLOS, Chairman of the Co-ordination Committee, said that, contrary to the statements in certain newspapers in Switzerland and elsewhere, sanctions were not dead. They were, in fact, very effective. Obviously, the advance of the Italian troops towards Addis Ababa would not be prevented by sanctions. Nevertheless, they had affected the course of the war. Italy had not been able to obtain credits, and sanctions had reduced her exports to the extent of 50 % of their value. Sanctions would have been even more effective if they had been applied more generally. In any case, since the attempt at conciliation had failed, the application of sanctions must be continued.

2. Examination of the Replies received from Governments in connection with the Proposals of the Co-ordination Committee since the Second Session of the Committee of Experts.

Mr. LOVEDAY, Secretary of the Co-ordination Committee, drew attention to the chief facts of importance concerning the measures taken by Governments in application of the Co-ordination Committee’s proposals. He mentioned, in the first place, the statement by the Government of Ecuador to the effect that that Government, on the ground that negotiations for a peaceful settlement had started, had raised the sanctions enacted against Italy. Guatemala, on the other hand, had sent a communication stating that that country had adopted the administrative measures necessary to the application of Proposals II, III and IV. Finland had sent the text of the Finnish Law of December 14th, 1935, in enforcement of the administrative measures which it had already taken. Mr. Loveday stated, in conclusion, that the time-limit requested by the Peruvian Government for the application of Proposal III had elapsed, and that Proposal was now being applied by Peru.

The CHAIRMAN asked M. de Bordes to review and comment on the new replies sent by Governments regarding the measures taken in application of the Co-ordination Committee’s proposals.

Finland.

M. DE BORDES (Secretariat) recalled the fact that the Committee of Experts had requested the Finnish Government to confirm by legislation the administrative measures which it had prescribed. The Finnish Government had acceded to that request, and document No. : Co-ordination Committee/18(g) gave the text of a law and of a decree which seemed to call for no comment.

Sweden.

The CHAIRMAN, speaking as Swedish member of the Committee, said that Sweden was in the same position as Finland. Parliament had recently passed a law regarding sanctions, the text of which would soon be transmitted to the Secretariat.

Australia.

M. DE BORDES (Secretariat) said that the letter from the Minister for External Affairs of the Commonwealth of Australia was accompanied by copies of the ordinance which applied to the Territory of Norfolk Island the prohibition placed on the importation from and exportation to Italy of certain goods.

The ordinance concerning Norfolk Island gave rise to two observations. In the first place, under paragraph 3 (1) of that ordinance, goods despatched from Italy might be imported into Norfolk Island with the consent in writing of the Administrator. Secondly, the schedule of goods given at the end of the ordinance was much shorter than the list drawn up by the Co-ordination Committee. It seemed, however, to be even wider in scope, since it covered

\[1\] Document No. : Co-ordination Committee/70(d).
\[2\] Document No. : Co-ordination Committee/52(a).
\[3\] Document No. : Co-ordination Committee/18(g).
\[4\] See Official Journal, Special Supplement No. 147, page 23.
\[5\] Document No. : Co-ordination Committee/21(h).
all minerals. Moreover, the question did not seem to be of great importance, for trade between Italy and Norfolk Island could not be very considerable.

M. ASSAN (Roumania) pointed out that, in the matter of the exceptions which Governments reserved the right to make, there were two precedents, those of Peru and the Netherlands. In accordance with those precedents, a letter should be sent to the Australian Government.

Mr. STEVENSON (United Kingdom) assumed that the Administrator of Norfolk Island would use the power conferred on him to grant exceptions in accordance with the memoranda of January 30th and February 3rd, 1936, addressed to Collectors of Customs in the Commonwealth. The memorandum of February 3rd, 1936, stated that “Imports, of small value, of goods of Italian origin arriving by post consigned to private individuals in Australia may be permitted, provided the Collector is reasonably satisfied that the goods are not for purposes of trade”.

The effect of an exception of that kind could not be very considerable.

M. ASSAN (Roumania) agreed with Mr. Stevenson, but thought that, for the sake of the principle involved, a letter should be sent to the Australian Government.

Mr. STEVENSON (United Kingdom) saw no objection to that course.

The Committee adopted M. Assan's proposal.

The Committee decided that the French expert should examine the schedule of goods contained in the ordinance relating to Norfolk Island, in order to ascertain whether it fully covered the list drawn up by the Co-ordination Committee.

Mr. LOVEDAY, Secretary of the Co-ordination Committee, enquired what the phrase “goods not for purposes of trade” meant. If it merely meant that the goods in question were not intended for re-sale, might it permit of the development of a considerable trade?

Mr. STEVENSON (United Kingdom) pointed out that, since the goods in question must also be conveyed by post, the trade covered by the Australian exception could not become very considerable without the Commonwealth Government being aware of the fact. It would, in that case, be able to take the necessary measures.

The CHAIRMAN noted, from the statistics, that Australian imports from Italy were increasing. It would perhaps be useful to ask the Australian Government for information on the subject.

M. DE BORDES (Secretariat) drew attention to the memorandum of January 30th addressed to Collectors of Customs in the Commonwealth concerning the importation into Australia of Italian goods in stock in the United Kingdom prior to the application of sanctions. The same question, as regards Italian goods drawn from stocks in France, was dealt with in the memorandum published in document No.: Co-ordination Committee 21(j). It was the first time that this question of stocks in other countries had come before the Committee.

Mr. STEVENSON (United Kingdom) thought it was clear from paragraph 3 of the memorandum of January 30th, 1936, that the goods referred to in paragraph 4 of that memorandum were originally intended for consumption in the United Kingdom, and not merely for deposit in a bonded warehouse in that country. The goods in question were therefore nationalised by being duly imported, the importation taking place before November 18th, 1935.

The situation was, in all probability, the same in the case of goods imported from France which were referred to in document No.: Co-ordination Committee 21(j).

M. VAN DER POEL (Netherlands) asked why Italian goods imported from the United Kingdom or France into Australia were specially favourably treated in Australia.

M. DE BORDES (Secretariat) thought that the Australian Government's reply raised a question of a general character — namely, whether Italian goods imported before November 18th, 1935, by a country applying sanctions might legitimately be re-exported to another country which was also applying sanctions.

M. ASSAN (Roumania) thought that, in all cases where goods were received from a country which was applying sanctions, their importation was in order.

There was, in his opinion, more reason to consider carefully paragraph 5 of the memorandum of January 30th, 1936. According to that paragraph, in point of fact, the authorisation to import goods depended merely on the discretion of a Collector of Customs. M. Assan thought that the authorisation should be granted only when goods were accompanied by a declaration.

Mr. LOVEDAY, Secretary of the Co-ordination Committee, was not certain that paragraph 4 related exclusively to Italian goods that had become British through naturalisation. That would not appear to be necessarily the case in regard to the goods mentioned in (b).
Mr. Stevenson (United Kingdom) thought the whole of the memorandum of January 30th, 1936, was governed by the condition that Italian goods imported from the United Kingdom must have been intended for consumption within the latter country. Italian goods which had merely passed in transit through British bonded warehouses would not fulfill that condition and therefore could not be imported into Australia. That, of course, did not affect the question whether the provision in (b) of the memorandum might be open to abuse. That was a point that could be considered. He himself had had no opportunity to discuss with the Australian representative in London the various texts promulgated by the Commonwealth Government, but a cursory reading of those texts had convinced him that they were drawn up with the best intentions. It was nevertheless possible that the wording used by their authors might, in certain cases, admit of evasion.

The Chairman noted that the experts did not desire to put any questions to the Australian Government concerning paragraph 4 of the memorandum of January 30th, 1936, but intended to ask for explanations regarding paragraph 5 of the same memorandum.

M. de Bordes (Secretariat) pointed out that it appeared from document No.: Co-ordination Committee/21(k) that certain provisions applicable to Norfolk Island applied also to Papua. The question which arose concerning Norfolk Island therefore arose also in regard to Papua.

Uruguay.

M. de Bordes (Secretariat) recalled the terms of the letter, dated February 20th, 1936, from M. Guani to the Chairman of the Co-ordination Committee, and stated that since that letter no further communication had been received regarding the decision that was to be taken by the Uruguayan Parliament.

The Chairman thought it would be advisable to ask M. Guani for further information.

Netherlands.

M. de Bordes (Secretariat) pointed out that the letter, dated March 25th, 1936, from the Secretary-General of the Netherlands Ministry for Foreign Affairs showed that the provisions applicable to the Netherlands overseas territories were the same as those which were applicable to the home country and which the Co-ordination Committee had already examined.

In regard to the exemptions mentioned in document No.: Co-ordination Committee/28(k), it should be noted that they were similar to those for which the Polish Government had already made provision. Some explanation of Article 22(d) of the Tariff Act mentioned in document No.: Co-ordination Committee/28(k) might be helpful.

M. van der Poel (Netherlands) thought that the meaning of that article became perfectly clear if the passage in brackets were supplemented as follows:

“(e.g., an Italian motor-car formerly registered in the Netherlands)”.

The Chairman drew particular attention to the relatively high figure for Netherlands imports from Italy during the month of February (50,000 dollars).

M. van der Poel (Netherlands) thought, on the contrary, that, in the circumstances, the figure of 50,000 dollars was very low.

M. Bibica-Rosetti (Greece) would like to know to what kind of repairs Article 16(c) of the Tariff Act referred.

M. van der Poel (Netherlands) thought he was correct in saying that the article referred, not to improvements, but merely to repairs such, for instance, as the substitution of a new part for a damaged part.

M. Assan (Roumania) was of opinion that the possibilities covered were too wide.

Mr. Loveday, Secretary of the Co-ordination Committee, pointed out that the English translation of the Dutch text of Article 16(c) did not say “goods sent to Italy”, but “goods which had been sent to Italy”. It might therefore be supposed that they were goods which had been sent to the repairing works before November 18th, 1935.

M. van der Poel (Netherlands) said that he would ask his Government to furnish explanations on the two points raised regarding the reply from the Netherlands.

Iran.

M. de Bordes (Secretariat) pointed out that, in his letter of February 10th, 1936, M. Entezam, permanent delegate of Iran, stated that the list of arms, munitions and implements of war referred to in the Imperial Decree was a reproduction of the whole of the revised list.
of arms and implements of war annexed to Proposal I (A). The reply to the question put on this point by the Committee of Experts was therefore entirely satisfactory.

Document No.: Co-ordination Committee/33(f) gave the penalties enacted for infringements of the laws concerning sanctions.

Belgium.

M. DE BORDES (Secretariat) stated that, with his letter dated February 7th, 1936, M. Suetens had sent to the Secretary-General a copy of the Royal Decrees relating to the Belgian Congo and to Ruanda-Urundi promulgated in execution of Proposals III and IV of the Co-ordination Committee. M. de Bordes was not certain that the Belgian Government had sent information of the same kind regarding the application to the Congo and to Ruanda-Urundi of Proposals I and II.

The Committee agreed that the Belgian expert should examine the correspondence exchanged between the Belgian Government and the Secretariat in order to ascertain whether it was necessary to ask the Belgian Government for further information.

Turkey.

M. DE BORDES (Secretariat) pointed out that, according to the letter, dated January 13th, 1936, from the Minister for Foreign Affairs of Turkey to the Secretary-General, the list referred to in No. 1 of the Decree of November 15th, 1935, was really list I (A), adopted by the Co-ordination Committee on October 16th, 1935.

Spain.

M. DE BORDES (Secretariat) stated that, from the information furnished by the Spanish Government, it seemed that sanctions had not been applied in the Colony of Rio de Oro.

The Committee agreed that the Spanish expert should examine that point in conjunction with the Secretariat.

Morocco and the Zone of Tangier.

The CHAIRMAN recalled the statement made by M. Flandin on March 2nd, 1936, regarding the application of sanctions in the French and Spanish zones of Morocco and in the zone of Tangier. He proposed that the Spanish and French experts should be asked to inform the Committee at its next meeting of the progress of the negotiations that were taking place on that subject between the Spanish and French Governments.

The Chairman's proposal was adopted.

Guatemala; Afghanistan.

M. DE BORDES (Secretariat) stated that the Secretariat had not received the text of the administrative measures adopted by the Government of Guatemala (see document No.: Co-ordination Committee/52(a)).

Mr. LOVEDAY, Secretary of the Co-ordination Committee pointed out that the same remark applied to Afghanistan (see document No.: Co-ordination Committee/59(c)).

The Committee decided to request the Governments of Guatemala and Afghanistan to transmit the texts in question.

China.

M. DE BORDES (Secretariat) drew attention to the reply sent by China and distributed in document No.: Co-ordination Committee/54(d). He drew attention to the following provision in Circular No. 5184, which formed Annex I of that document:

"(4) Orders placed before December 1st, 1935, for which full payment, or payment of more than 20 %, has been made, may still be executed."

An order might thus be executed, in accordance with the Chinese regulations, if only payment of more than 20 % had been made. Attention should also be directed to the following passage in a note appended to paragraph (5) of Circular No. 5184:

"The importation of Italian goods covered by documents proving that the goods were already en route to China before December 10th, 1935, shall still be allowed, even if they arrive at a Chinese port after January 1st, 1936."

In the first of the five "points" at the end of Circular No. 5184 occurred a reference to Circular No. 4896, which had not been transmitted to the Committee.

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1 Document No.: Co-ordination Committee/34(f).
2 Document No.: Co-ordination Committee/39(g).
3 See page 12.
Finally, the fourth point read as follows:

"(4) The term 'music records' in Article (7) (c) above is to be interpreted as including music printed in sheets or books as well as gramophone and pianola records."

That was certainly the first time so wide an interpretation had been given to the expression in question.

The Chairman noted that the Committee thought the Chinese Government's attention should be drawn to the provision in Circular No. 5184 regarding orders in respect of which payment of more than 20% had been made, and also to the interpretation given in the same circular to the expression "music records".

M. de Bordes (Secretariat) further pointed out that Circular No. 5195 did not prohibit the export of arms to Italy, but provided merely that consignments of arms and ammunition destined for Italy and passing through China were to be reported to the League of Nations by the Kuan-wu-Shu.

Finally, the last circular reproduced in document No. Co-ordination Committee/54(d), No. 5196, made provision for an exception — which would appear to be quite in order — regarding supplies for the Italian Embassy, Italian Consulates and Italian troops in China.

Canada.

M. de Bordes (Secretariat) stated that he had no observation to make on the letter from Canada dated February 26th, 1936.¹

Ecuador.

M. de Bordes (Secretariat) pointed out that the statements reproduced in the letter from the Government of Ecuador dated March 11th, 1936,² had lost their force, in view of M. Zaldumbide's letter dated April 17th, 1936,³ raising sanctions.

In his view, the Committee would have to examine that letter later.

Honduras.

M. de Bordes (Secretariat) said that document No. Co-ordination Committee/76(c) showed that the Government of Honduras was under the impression that Proposal II was the only one to be applied in the matter of sanctions.

The Committee decided to send a letter to the Government of Honduras, asking that Government to communicate the measures it had taken in application of Proposals I, III, IV and V.

United Kingdom.

M. de Bordes (Secretariat) explained that the Secretary of State for Foreign Affairs of the United Kingdom had, in his letter dated February 4th, 1936,⁴ communicated the measures taken by the Government of Newfoundland with regard to the application of the Co-ordination Committee's Proposals Nos. III and IV.

Luxemburg.

M. de Bordes (Secretariat) stated that, in a letter dated March 9th, 1936,⁵ the Luxemburg Government had said that it was not able to reply to the Committee's questionnaire concerning trade statistics because of the existence of the Customs Union with Belgium. Nevertheless, since the Grand-Duchy had adopted a system, in respect of Italy, which differed from the system applied to the latter country by Belgium, the letter in question contained a long list of Italian articles the importation of which had been permitted by Luxemburg. The question which arose regarding Luxemburg was not unlike that which arose concerning Australia. The members of the Committee might perhaps desire to examine the list which had been supplied by the Grand-Ducal Government, and which was of importance more particularly from the point of view of the principle involved.

The Committee decided, in accordance with M. de Bordes' suggestion, to examine at its next meeting the question of the exceptions allowed by Australia and Luxemburg.

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¹ Document No.: Co-ordination Committee/62(h).
² Document No.: Co-ordination Committee/70(c).
³ Document No.: Co-ordination Committee/70(d).
⁴ Document No.: Co-ordination Committee/111.
⁵ This letter will be published in the Official Journal, Special Supplement No. 150.
SECOND MEETING.

Held on Tuesday, April 21st, 1936, at 4 p.m.

Chairman: M. Westman (Sweden).

3. Examination of the Replies received from Governments in connection with the Proposals of the Coordination Committee since the Second Session of the Committee of Experts (continuation).

Netherlands (continuation).

M. van der Poel (Netherlands), in reply to the questions put to him at the previous meeting, explained that the 50 million dollars' worth of goods imported in February were, for the most part, goods imported into bonded warehouses. He was unable at the moment to give any particulars, but he would make the necessary enquiries and would, as soon as possible, supply detailed information.

In regard to the motor-cars, the misunderstanding arose from an error of translation. The motor-cars in question were really Netherlands vehicles or foreign vehicles that were not intended to be used permanently within the country.

M. de Bordes (Secretariat) apologised to M. van der Poel for the error in the translation, and asked him to inform the Secretariat of any corrections that should be made in the translation of the texts communicated by the Netherlands delegation.

Belgium (continuation).

Baron de Traux de Wardin (Belgium), in reply to the question concerning the application of Proposals I and II to the Belgian Congo, explained that the departments concerned could not reply immediately. The necessary steps would be taken at Brussels with a view to examining the matter at the earliest possible moment.

Luxemburg (continuation).

Baron de Traux de Wardin (Belgium) pointed out that the system applied by Luxemburg provided for the prohibition of nearly all imports from Italy, save for the few exceptions mentioned in the letter from the Luxemburg Government. Those exceptions, moreover, involved only insignificant quantities and he did not think they could be included in statistics.

Mr. Stevenson (United Kingdom) asked what rule was followed in granting those exceptions. Were the goods in question presents or very small quantities imported by individuals for their personal use?

The Chairman examined the list sent by the Luxemburg Government and noted that most of the items were presents.

Baron de Traux de Wardin (Belgium) did not think that the exceptions were granted according to any systematic plan.

M. de Bordes (Secretariat) agreed that the exceptions were of no considerable importance from the practical point of view. There could, moreover, be no doubt as to the intentions of the Luxemburg Government, for that Government had spontaneously reported the imports in question. Nevertheless, a question of principle arose: Should such exceptions be admitted?

The Chairman considered that there was no need to go further into the matter, in view of the very slight practical importance of the exceptions granted by the Luxemburg Government.

Morocco and the Zone of Tangier (continuation).

M. Lagarde (France) explained that the application of sanctions in the international zone of Tangier gave rise to serious difficulties, owing to the status of that zone. As the three zones of Morocco — French zone, Spanish zone and the zone of Tangier — constituted one Customs union, it followed that any decision relating to the last of these territories would react directly on the regime to be applied in the two others. The French Government had, notwithstanding, taken all necessary measures to prevent the export of arms, ammunition and implements of war from the French zone.

1 See page 43.
2 See page 44.
The CHAIRMAN enquired whether measures similar to those that had been taken in respect of implements of war could not be adopted in regard to other articles.

M. LAGARDE (France) replied that the prohibition of the export of war material was a police matter, whereas in the case of other articles the matter was one for the Customs. The French Government considered that, in Customs matters, the situation in the Tangier zone governed that of the other zones.

M. ESPINOSA (Spain) confirmed M. Lagarde’s statements concerning the difficulties in the way of applying sanctions in the international zone of Tangier. He explained that the regime of the “open-door” in Morocco was guaranteed by an international Convention.

In regard to arms, ammunition and implements of war, the Spanish Government had entered into conversations with the French Government.

The CHAIRMAN took note of the explanations given and enquired whether it was not possible to furnish statistics concerning trade between these territories and Italy.

M. LAGARDE (France) replied that he would take the necessary steps to ensure that statistics were transmitted.

M. ESPINOSA (Spain) said he would ask for statistics relating to the Spanish zone.

Australia (continuation).

The CHAIRMAN asked the Customs experts for their opinion on the list of products covered by Proposal IV which, in the case of Australia and certain other countries, differed from the list adopted by the Co-ordination Committee.

M. BOULET (France) explained that, in reality, the list given in Proposal IV had been adapted to the framework of the tariff nomenclature. The lists in question were sufficiently comprehensive.

Rio de Oro.

M. ESPINOSA (Spain) explained that Rio de Oro was not a Spanish colony and that the territory had been under the full sovereignty of Spain since before the establishment of the Protectorate. The system adopted in Rio de Oro was identical with that of Spain itself.

Ecuador (continuation).

The CHAIRMAN drew the Committee’s attention to the letter from the delegate of Ecuador dated March 11th, 1936, in which it was stated that the Government of Ecuador was raising sanctions. He recalled the fact that, in the report submitted to the Committee of Eighteen, Ecuador was shown as one of the countries which had applied sanctions. The attention of the Committee of Eighteen should therefore be drawn to the fact that that country was not applying sanctions. He did not think it necessary to add any commentary, since it was for the Committee of Eighteen to deal with the political aspect of the matter.

M. BROWN (Union of Soviet Socialist Republics) asked whether the letter from the delegate of Ecuador must be taken to mean that that country had raised all the sanctions, or only the sanctions referred to in Proposal III—that is, the prohibition of imports from Italy. The Government of Ecuador might conceivably think the non-application of Proposal III justified on the ground that an attempt at conciliation was in progress. Nevertheless, he did not see how the same reason could be advanced for raising the prohibition to export arms to Italy. Perhaps the Committee should address a letter to the delegate of Ecuador asking for information on that subject.

M. ASSAN (Roumania) thought that the principle would be weakened if the Committee went into the details involved. Without wishing to discuss the political aspect of the problem, he considered that the view taken by the Government of Ecuador was based on a principle that was deplorable from the technical standpoint. The Committee should bring the matter to the notice of the Committee of Eighteen and point out the extent to which defections of that kind might affect the result of the measures taken. It was obviously the duty of the Committee of Eighteen to take the decisions necessary in such a case, but the experts could not pass over the matter in silence.

Mr. STEVENSON (United Kingdom) agreed that the question should be brought to the notice of the Committee of Eighteen because, in the report submitted in December, Ecuador had been shown as a country that was applying sanctions.

M. ASSAN (Roumania) urged the need to emphasise the fact that countries to whom trade with Italy was a matter of much greater importance that it was to Ecuador were continuing

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to apply sanctions at the cost of great sacrifices. Distant countries, to whom trade with Italy was of much less importance, could not be allowed to set an example of defection.

The Committee decided to refer in its next report to the letter from Ecuador.

Nicaragua.

The Chairman read a paragraph from the *Popolo d'Italia* of April 9th, 1936, which said that the Nicaraguan Parliament had adjourned without taking any decision concerning sanctions, and that the Government had not tabled any draft law concerning commercial sanctions before the recess.

He enquired how far this statement agreed with the information at the disposal of the Secretariat.

M. De Bordes (Secretariat) explained that the Nicaraguan Government had stated several months previously that it would submit to Parliament a draft law for the application of Proposals III and IV. Since then, no further information had been received by the Secretariat.

The Committee decided to ask the Government of Nicaragua for information as to the present position.

4. Statistics of Trade with Italy and the Italian Colonies for the Period November 1935 to January 1936 and the Corresponding Period of the Preceding Year.

The Chairman drew attention to the information regarding trade with Italy supplied by the various countries in reply to the questionnaire drawn up by the Committee at its session in February. This information was to be found in document No. Co-ordination Committee/116, which gave the figures for November and December 1935 and January 1936 as compared with those for the corresponding periods of the previous year, together with the first statistical information available for February. A table of the February statistics, received from approximately thirty countries, as compared with the figures for the previous months, had also been laid before the Committee (document No. Co-ordination Committee/Experts/13).

The Chairman thought that it was already possible to draw the following technical inferences:

1. Owing to the time required for legislation to be passed and the exceptions allowed under the various proposals of the Co-ordination Committee, Proposal III did not become effective until about the New Year.

2. In January 1936, Italian exports fell off by nearly a half (46 %) and Italian imports by well over a third (39 %) as compared with January 1935.

3. The figures so far available for February show the progressive effect of sanctions. The following were the figures for Italian exports to thirty countries:

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<th>Gold dollars (millions)</th>
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<td>November 1935</td>
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<td>December 1935</td>
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<td>January 1936</td>
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<td>February 1936</td>
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   These figures include imports into countries which do not apply Proposal III.

4. If this last category of imports is eliminated, the exports from Italy to those countries which apply that proposal have become negligible. While, in January, they still amounted to over 16 % of the exports in January 1935, in February they had fallen to some 6 % of the exports of a year ago.

5. It is essential to remember that the figures are the statistics of the countries from which information is available — that is to say, that Italian exports are shown as imports of those countries and Italian imports as exports of those countries. This is particularly important in estimating the Italian trade balance. The value indicated by the other countries as imports from Italy is higher than the price Italy obtains for her exports; for that value includes the costs of transport, insurance, and other costs which fall on those exports; in fact, the difference between f.o.b. and c.i.f. Similarly, Italy has to pay more for her imports than is indicated by the statistics of the exporting countries. Those differences are usually estimated on an average of 10 % of the value of the goods. If this adjustment is made in respect of all the figures available, Italy's unfavourable balance is considerably increased.

   It will be noticed that the Italian gold exports during recent months greatly exceed the apparent unfavourable trade balance. The reasons just advanced may in part explain these heavy gold losses.

6. The Governor of the Bank of Italy stated recently that the gold holdings of the Bank were reduced by 909 million gold lire, corresponding to 47.8 million gold dollars, between October 20th and the end of 1935. The replies to the questionnaire show that, during a some-
what shorter period — namely, during November and December 1935 — gold imports from Italy amounting to 579.1 million gold lire (30.5 million gold dollars) were registered by the countries for which information is available.

(7) The export of gold continued in January with what would appear to be increasing rapidity. In that month, the total net imports of gold from Italy by the countries given amounted to 517.6 million gold lire (27.2 million gold dollars).

Gold imports amounting to 315 million gold lire (16.63 million gold dollars) in February have already been reported to Geneva. Information from a number of countries is still lacking.

For March, no replies are as yet available, but, according to Press reports, 290 million gold lire, equalling 13.7 million gold dollars, were exported in one single consignment during that month from Italy to Switzerland.

This seems to show that, during the first three months of 1936, Italy has exported gold amounting to at least 1,092 million gold lire (57.5 million gold dollars).

(8) The gold and foreign assets reserve of the Bank of Italy on October 20th, 1935, amounted to 4,316 million gold lire (227.2 million gold dollars). The Bank seems to have lost since that date nearly a half of this amount. What amount of gold and foreign assets the Government has been able to collect domestically since October is not known.

Mr. Stevenson (United Kingdom) thought the Chairman's statement of great importance. He considered that the publication of the various points which he had made in the course of that statement, with regard to the efficacy of sanctions, would be of much greater value in enlightening public opinion in the various countries that the circulation of a document as voluminous as that prepared by the Secretariat.

The Committee agreed, and decided to include the Chairman's statement in the communiqué to be issued to the Press at the end of the meeting.

The Committee authorised the printing and distribution of document No.: Co-ordination Committee/116.

Mr. Loveday, Secretary of the Co-ordination Committee, said that he thought he should draw the Committee's attention to certain special cases mentioned in the document in question. In the first place, he thought it necessary to point out the abnormal increase in Hungary's imports from Italy. In January 1936, these imports had amounted to 577 million gold dollars, as against 431 million in the same month of 1935. This fact clearly had political implications which it was not for the Committee to examine.

Attention must also be drawn to the case of the Irish Free State, whose imports from Italy, as shown by the figures given on page 10 of document No.: Co-ordination Committee/116, showed a considerable increase in November and December 1935 and January 1936 as compared with the figures for the corresponding months of 1934/35.

Mr. Loveday said that the Government of the Irish Free State had not replied so far to the questionnaire, and the Secretariat had therefore inserted figures from official sources. Quite recently, the Government had supplied certain provisional figures, which seemed to a certain extent to confirm those inserted by the Secretariat. He added that the Irish Free State had changed its method of classifying imports and that the system at present in force was based upon a new definition of provenance. He did not know if that fact was sufficient to explain the disparity.

The Committee decided to request the Governments of the Irish Free State and Estonia for information as to how these imports were made up.

M. Assan (Roumania) asked why Roumania did not figure among the countries enumerated in document No.: Co-ordination Committee/Experts/13.

Mr. Loveday, Secretary of the Co-ordination Committee, explained that the Roumanian figures for February had only arrived that morning.

M. de Bordes (Secretariat) explained that the Secretariat had endeavoured to supply comparable figures for the different months in respect of all countries for which information was available in regard to the month of February.

Mr. Stevenson (United Kingdom) pointed out that the Chairman's statement, which was to be communicated to the Press, would sufficiently enlighten public opinion regarding the effect of sanctions and that publication of document No.: Co-ordination Committee/Experts/13 might, without inconvenience, be postponed for a few days until it was more complete.

Mr. Stevenson's proposal was adopted.


M. Van der Poel (Netherlands) referred to the discussions which had taken place on the subject of certificates of origin at the Committee's previous session. He would be grateful for information regarding the experience of the various national administrations by which the system had been adopted.

The Chairman said that, if he remembered rightly, the United Kingdom expert had stated at the last session that the system had proved entirely satisfactory.

1 See document No.: Co-ordination Committee/116, page 10.
2 See pages 30 and 32.
Mr. Stevenson (United Kingdom) stated that, though it could not be said that the experience of the United Kingdom had been entirely satisfactory, it could nevertheless be recognised that the system had given as much satisfaction as could be expected. In certain cases, the system had been more strictly applied and a rule had been enforced to the effect that each certificate should bear a consular visa. Generally speaking, the system had been tightened up wherever there was reason to believe that evasion was possible; the procedure adopted varied, however, from country to country, and the authorities by whom certificates of origin were issued were not everywhere the same. On the whole, it might be said that the results had been more or less satisfactory.

M. Van der Poel (Netherlands) informed the Committee of the experience of the Netherlands Customs authorities in the matter of lemons. For some time, all the lemons imported into the Netherlands had been described as of Syrian origin, whereas the experts maintained that, in fact, they came from Italy. When it was obvious that Syria had no more lemons left for exportation, its place was taken by Egyptian lemons; it had, however, been established that Egypt had no lemons for export apart from certain varieties suitable only for medical use. Lastly, lemons described as being of Peloponnesian origin had been exported. The Customs authorities had been of opinion that, in all these cases, the lemons were really Italian. For that reason, the Netherlands Customs authorities now refused to accept certificates of origin for lemons and acted exclusively on the opinion of their experts.

Mr. Stevenson (United Kingdom) said that attempts had also been made to import fruit of Italian origin into the United Kingdom by describing it as coming from elsewhere. It had been found, on several occasions, that fruit consigned from Austria was in reality Italian. It had therefore been refused. In no case, however, had the quantities been as great as those consigned to the Netherlands.

The Chairman noted that the Committee had been wise in refraining, in its draft report and also at its last session, from insisting too strongly on the necessity for introducing certificates of origin and in leaving the matter to the various Governments to decide.


Mr. Loveday, Secretary of the Co-ordination Committee, reminded the Committee that, at its last session, it had decided to draw the attention of Governments to the need for indicating, not the figures for special trade, but the figures for general trade. In accordance with that decision, the Secretariat had written to the various Governments, and certain of them had replied that next time the figures supplied would be those for general trade; these Governments were not very numerous. Other Governments had replied that they could not give the figures for special trade, but that they could assure the Secretariat that the figures for special trade were no different from those for general trade. The others had confined themselves to replying that they could only give the figures for special trade.

Such being the case, the Secretariat had decided to add a special column indicating, in the case of each country, whether the figures supplied were those for special trade or general trade. It might be said that all the countries applying the Anglo-Saxon system had given the figures for general trade. The French Administration had had to change its system so as to fall in with the wishes of the Co-ordination Committee. France, therefore, was also among the countries which had given figures for general trade.

M. Boulet (France) explained that this change had necessitated a great deal of work.

M. Assan (Roumania) recognised that the effort required was enormous and could scarcely be expected of all countries.

The Committee decided not to insist on the indication of figures for general trade.


Mr. Loveday, Secretary of the Co-ordination Committee, drew attention to the free ports of Fiume and Trieste, in which certain countries enjoyed special privileges and had the right to keep Customs officials of their own. Czechoslovakia was a case in point, which, in regard to her imports from Italy, gave separate figures for the Italian Customs territory and for the free zones of Fiume and Trieste. These figures had been combined in the table on page 10 of document No.: Co-ordination Committee/116. Details, however, were to be found in a footnote.

Mr. Loveday had thought it necessary to draw the Committee's attention to that point, as it might be that the fact of there being free zones in certain ports might open up possibilities of evasion.

The Committee decided to request the Czechoslovak delegation to state its opinion on this subject.
M. DE BORDES (Secretariat) thought that, in this connection, he should inform the Committee that one Government was said to have enquired whether it was possible, without infringing Proposal III, to import Italian goods into a free port, to have them there subjected to a process increasing their value by more than 25 % and finally to introduce them into its Customs territory. A rumour had been spread to the effect that the Secretariat considered that such a proceeding would not be contrary to Proposal III. After enquiry, M. de Bordes had found that no such request had ever been made or such opinion expressed.

M. VAN DER POEL (Netherlands) considered that the question could not arise, and that it was self-evident that such a proceeding would be an infringement of Proposal III.

M. BOULET (France) pointed out that the text of Proposal III was most specific and that the only derogation allowed was in the case of goods which had undergone a process increasing their value by more than 25 % in another country.

M. SOUBBOTITCH (Yugoslavia) pointed out that, if, as he had no doubt, that view was correct, a country was not entitled to import Italian goods into its own free port, there to undergo a process preparatory to export to another country.

Mr. STEVENSON (United Kingdom) considered that there could be no doubt that a country applying sanctions could not import Italian goods into its territory without infringing Proposal III, whether importation was into a free port or into its Customs territory.

The Committee concurred in this point of view.

8. Periodic Publication of Provisional Statistical Information.

The Committee decided that provisional figures for Tables I and II, such as those circulated to it for the month of February, should be published at intervals between the publication of the monthly printed documents.

This proposal was adopted.

9. Report to be submitted by the Committee of Experts to the Chairman of the Co-ordination Committee.

The CHAIRMAN recalled that, in the course of its previous session, the Committee had decided upon the terms of the report which it would submit, if required, to the Committee of Eighteen. It appeared from the letter of April 20th addressed by M. de Vasconcellos to the members of the Committee of Eighteen that that body would probably be summoned to meet about May 11th. If such were the case, the Committee of Experts might meet a few days beforehand to adopt the final text of its report with such slight modifications as might be necessary.

Mr. STEVENSON (United Kingdom) asked in what respects there would be alterations or additions to the original draft.

The CHAIRMAN replied that all that would be required would be to bring the list appended to the Committee’s second report up to date, and to draw the Committee of Eighteen’s attention to the cases of Ecuador, Guatemala and, if necessary, Nicaragua.

Mr. STEVENSON (United Kingdom) noted that, in the report on the work of the second session, reference was made to the Tangier zone. That passage in the report should be brought up to date, in accordance with the explanations just given by the French representative, by the addition of a sentence in the new report to the Co-ordination Committee.

On the other hand, he noted that it was stated in the report on the work of the second session that the sanctions were not yet applied in the Rio de Oro territory, which would appear to be in contradiction with the explanations just given by the representative of Spain.

M. LAGARDE (France) had no objection to the information with which he had supplied the Committee being reproduced in the report.

M. ESPINOSA (Spain) failed to understand how the passage to which Mr. Stevenson had drawn attention could have been inserted in the report. The Rio de Oro territory was under the full sovereignty of Spain and sanctions were applied there just as effectively as in the home country.

At the same time, he pointed out that the question was of no practical importance, as, in the last resort, the number of the population was extremely small. As, however, the question was one of principle, he was willing to confirm in writing what he had just said.

The Committee decided to meet one day before the Committee of Eighteen to approve the final text of its report.

1 See pages 38 and 39.
THIRD SESSION OF THE CO-ORDINATION COMMITTEE

LIST OF MEMBERS.

Afghanistan.
His Excellency General MOHAMED OMER Khan.

Union of South Africa.
Mr. H. T. ANDREWS, Acting Representative accredited to the League of Nations.

Albania.

Argentine Republic.
His Excellency Dr. Enrique Ruiz GUIÑAZÚ, Envoy Extraordinary and Minister Plenipotentiary, Permanent Delegate accredited to the League of Nations.

Australia.

Austria.
His Excellency M. Emeric PFLÜGL, Envoy Extraordinary and Minister Plenipotentiary, Permanent Representative accredited to the League of Nations.

Belgium.
M. Maurice BOURQUIN, Professor at the University of Geneva.

Bolivia.
His Excellency M. Adolfo COSTA DU RELS, Envoy Extraordinary and Minister Plenipotentiary, former Minister for Finance, Permanent Delegate accredited to the League of Nations.

United Kingdom of Great Britain and Northern Ireland.
Mr. R. C. Skrine STEVENSON, Assistant Adviser on League of Nations Affairs at the Foreign Office.

Bulgaria.
His Excellency M. Nicolas MOMTCHILOFF, Envoy Extraordinary and Minister Plenipotentiary, Permanent Delegate accredited to the League of Nations.

Canada.
The Hon. Philippe Roy, Envoy Extraordinary and Minister Plenipotentiary in France.
Substitute: Mr. Loring C. CHRISTIE, Counsellor, Department of Foreign Affairs.

Chile.
His Excellency M. Fernando GARCÍA OLDINI, Envoy Extraordinary and Minister Plenipotentiary in Berne.

China.
His Excellency Dr. V. K. Wellington Koo, Ambassador in Paris.
Substitute: His Excellency Dr. V. Hoo Chi-Tsai, Envoy Extraordinary and Minister Plenipotentiary in Berne, Director of the Permanent Bureau of the Chinese Delegation accredited to the League of Nations.

Colombia.
His Excellency Dr. Gabriel TURBAY, Envoy Extraordinary and Minister Plenipotentiary, Permanent Delegate accredited to the League of Nations.
Cuba.
His Excellency M. Guillermo de Blanck, Envoy Extraordinary and Minister Plenipotentiary in Berne, Permanent Delegate accredited to the League of Nations.

Czechoslovakia.
M. Rodolphe Kepl, Secretary of Legation in Berne.

Denmark.
M. William Borberg, Envoy Extraordinary and Minister Plenipotentiary, Permanent Delegate accredited to the League of Nations.

Ecuador.

Estonia.
M. Johannes Kodar, Counsellor of Legation at the Permanent Delegation accredited to the League of Nations.

Finland.
His Excellency Dr. Rudolf Holsti, Envoy Extraordinary and Minister Plenipotentiary, Permanent Delegate accredited to the League of Nations, former Minister for Foreign Affairs. Substitute: M. H. von Knorringer, Secretary.

France.
M. Joseph M. R. de la Baume, Assistant Director for Commercial Relations of the Ministry for Foreign Affairs; M. E. Lécuyer, Counsellor of State, Director at the Ministry of Commerce and Industry.

Greece.
M. Alexander Contoumas, First Secretary at the Permanent Delegation accredited to the League of Nations.

Haiti.
His Excellency M. Constantin Mayard, Former President of the Chamber of Deputies, Former Senator, Former Minister, Envoy Extraordinary and Minister Plenipotentiary in Paris.

Honduras.

Hungary.
His Excellency M. László de Velics, Envoy Extraordinary and Minister Plenipotentiary at Berne, Head of the Delegation accredited to the League of Nations.

India.

Iran.
M. Nasrollah Entezam, Assistant Delegate accredited to the League of Nations.

Iraq.

Irish Free State.
Mr. Francis T. Cremins, Permanent Delegate accredited to the League of Nations.

Latvia.
His Excellency M. Jules Feldmans, Envoy Extraordinary and Minister Plenipotentiary in Berne Permanent Delegate accredited to the League of Nations.

Liberia.
Lithuania.
His Excellency M. Petras KLIMAS, Envoy Extraordinary and Minister Plenipotentiary in Paris

Luxemburg.
His Excellency M. Joseph BECH, Minister of State, Prime Minister, Minister for Foreign Affairs.

United States of Mexico.

Netherlands.
Jönkheer Otto REUCHLIN, Secretary of Legation.

New Zealand.
The Hon. Sir James PARR, G.C.M.G., High Commissioner in London.

Nicaragua.

Norway.
M. Einar MASENG, Permanent Delegate accredited to the League of Nations.

Panama.
His Excellency M. Galileo Solís, Graduate in Law, former Minister for the Interior.
Substitute: Dr. Ernesto HOFFMANN, Consul-General in Geneva.

Peru.
His Excellency Dr. Francisco TÜDELA, Ambassador, Permanent Delegate to the League of Nations, former Prime Minister, former Minister for Foreign Affairs.

Poland.
His Excellency M. Tytus KOMARNICKI, Minister Plenipotentiary, Permanent Delegate accredited to the League of Nations.

Portugal.
His Excellency Dr. Augusto DE VASCONCELLOS, Minister Plenipotentiary, Permanent Delegate accredited to the League of Nations, former Prime Minister, former Minister for Foreign Affairs;
His Excellency Dr. José Jorge RODRIGUES DOS SANTOS, Envoy Extraordinary and Minister Plenipotentiary in Berne.

Roumania.
His Excellency M. Constantin ANTONIADE, Envoy Extraordinary and Minister Plenipotentiary accredited to the League of Nations.
His Excellency M. Georges ASSAN, Envoy Extraordinary and Minister Plenipotentiary in Copenhagen.

Siam.
His Excellency Phya RAJAWANGSAN, Envoy Extraordinary and Minister Plenipotentiary in London, Permanent Delegate accredited to the League of Nations.

Spain.
His Excellency M. Salvador DE MADARIAGA, former Minister, Ambassador.

Sweden.
His Excellency M. R. J. SANDLER, Minister for Foreign Affairs;
M. K. I. WESTMAN, Envoy Extraordinary and Minister Plenipotentiary in Berne, Permanent Delegate accredited to the League of Nations.

Switzerland.
M. Camille GORGE, Counsellor of Legation, Head of the League of Nations Section at the Political Department.
Turkey.

His Excellency M. Necmeddin SADAK, Envoy Extraordinary and Minister Plenipotentiary, Permanent Delegate accredited to the League of Nations.

Union of Soviet Socialist Republics.

M. Vladimir POTEMKINE, Ambassador in Paris.

Uruguay.

His Excellency Dr. Alberto GUANI, Envoy Extraordinary and Minister Plenipotentiary in Paris.

Secretary-General : M. Adolfo SIENRA, Secretary of Legation in Paris.

Venezuela.

His Excellency M. Manuel AROCHA, Envoy Extraordinary and Minister Plenipotentiary, Permanent Delegate accredited to the League of Nations.

Yugoslavia.

Dr. Ivan SOUBBOTITCH, Permanent Delegate accredited to the League of Nations.
1. Opening Speech by the Chairman.

The Chairman stated that, a short while ago, he had received a letter from the Chilian representative requesting the convocation of the Co-ordination Committee to consider a proposal for raising sanctions, and adding that Chile would, in any event, conform to the decisions of the League. As the Council at the moment had postponed any decision in the matter, he had not hitherto been in a position to take any action in respect of the Chilian representative's request. But the Assembly had now recommended the Co-ordination Committee to make the requisite proposals with a view to terminating the action taken in execution of Article 16 of the Covenant. The text of the recommendation was as follows:

"The Assembly,
Taking note of the communications and declarations which have been made to it on the subject of the situation arising out of the Italo-Ethiopian dispute;
Recalling the previous findings and decisions in connection with this dispute:
"Recommends that the Co-ordination Committee should make all necessary proposals to the Governments in order to bring to an end the measures taken by them in execution of Article 16 of the Covenant."

The purpose of the present meeting was to take stock of this recommendation and to pass a resolution on that subject.

He did not propose to make any political comments on the Committee's work. That, the Committee would remember, had been his attitude from the first. Comment and criticism there had been in the Assembly for all to hear. He proposed only to make a brief impartial statement, and to submit a draft resolution for the Committee's consideration.

The moment had arrived at which it was possible to draw certain general conclusions with regard to the Committee's work and the results achieved; and it would be as well, therefore, to begin by recalling the precise circumstances in which the Committee was set up, as also the principles by which it had been governed and the limits to the effective exercise of its activities.

The Co-ordination Committee was set up by a recommendation approved by the Assembly on October 10th, 1935, and began work on October 11th, 1935. It was in effect a conference of delegates of sovereign States met to study the co-ordination of the measures to be taken in reference to a State regarded by the other Members of the Council as having violated its obligations under the Covenant.

The obligations of the Members of the League derived directly from the Covenant and their fulfilment followed as a consequence of the respect of treaties.

The Committee had not therefore been called upon itself to take decisions, but merely to adopt proposals for submission to the different Governments for their consideration.

The measures to be recommended by the Co-ordination Committee were those provided in Article 16 of the Covenant; but, from the outset, political and military sanctions were eliminated for reasons on which it was not for him to express an opinion.

The Committee, when it met some nine months ago, had no precedents for its guidance. It was called upon to make a first experiment in the application of Article 16.

The Assembly resolutions of 1921 recognised that it might be necessary to exercise a certain measure of choice in respect of the economic and financial measures required in each particular case, and that these measures might not all necessarily admit of immediate simultaneous application.

The Co-ordination Committee had felt bound to consider a number of possible measures and to make a thorough study of each.

In view of the fact that the League of Nations was not universal, it was obvious from the first that the system of sanctions to be applied under Article 16 could not be complete.

It was noticeable, however, that the attitude of certain non-member States, to which all the Committee's proposals were communicated for information, was in a number of cases encouraging.

One of the States in question associated itself with the Members of the League for the purposes of the application of the proposed measures. Other States, without associating themselves directly with the measures proposed, took certain steps which facilitated the Committee's work.

From the outset of the Committee's work, stress was laid on the fact that the measures taken should be such as to admit of rapid enforcement.

In this connection, the Committee could not fail to note that all the States Members of the League had not complied with the invitation in the Assembly resolutions of 1921 to the
Governments of the different States to “take the necessary preparatory measures, above all of a legislative character, to enable them to enforce at short notice the necessary measures of economic pressure”.

While certain countries, it is true, when faced for the first time with the practical issue of applying Article 16, were able to take the requisite practical steps at short notice, other Governments encountered in that connection considerable difficulties of a constitutional character. This fact had its effect, up to a point, on the progress of the Committee’s work and the results ultimately attained.

Apart from all matters relating to paragraph 2 of Article 16 (military measures), the proposals worked out by the Co-ordination Committee did not purport to be, and were not, a complete system of sanctions. The economic and financial measures proposed in the Covenant were not, in the present case, applied in their entirety.

It could not be said that, taken as a whole, the proposals adopted were equivalent to that complete severance of all commercial or financial relations which Article 16 contemplated. Moreover, the Committee did not make any proposal for a general restriction, as contemplated in Article 16, of commercial and other relations with persons residing in the State violating the Covenant.

In one of its main proposals — namely, that for the prohibition of Italian imports — the Committee in large measure respected vested rights in respect of orders actually paid for and consignments en route. In addition, the interval of one month between the adoption of the proposal and its enforcement — which was doubtless inevitable, in view of the fact that these important measures were being applied for the first time by some fifty States — made it possible, not only for legitimate traders, but also for speculators, to increase their purchases from Italy. The effective results of the prohibition of importation were thus considerably delayed.

It was possible that the hesitation to apply other measures was due in part to practical reasons; but it was due also in part to the desire not to take any steps calculated to prevent the continuance of efforts with a view to a satisfactory settlement of the difference by conciliation. At the Council meeting on April 20th, 1936, the Spanish representative drew attention to what he described as the “contradictory procedure” due to the overlapping of attempts at conciliation by the Council and the development of measures under Article 16 of the Covenant.

The foregoing observations related to the circumstances in which the Co-ordination Committee had to work, as well as to some of the motives for the proposals submitted by the Committee to Governments.

In conclusion, the Chairman proposed to say something of the results actually achieved. As regards the financial measures taken (Proposal II), it was obviously difficult to give precise details. But all the information available went to show that that proposal had been applied in a highly effective manner.

The clearest proof of the results of the economic measures was contained in the Italian trade figures. He had asked the Secretariat to prepare a document embodying the latest figures available.

In spite of the circumstances already referred to, which had led to a certain delay in the enforcement of this Proposal by a number of States, the results were considerable. Apart from the figures for November and December 1935, which reflected the heavy imports before the enforcement of the Proposal and the completion of orders paid for before November 18th, the table which had been distributed gave the figures at present available for the period January to April 1936 with the corresponding figures for 1935.

Imports from Italy to countries for which figures were available to the end of April — representing, in normal years, some 90 % of the total of Italian exports — showed a reduction of nearly 50 %. Omitting from the calculation the figures for countries which did not apply Proposal III, the percentage was as large as 90.7 %.

Another indication of the aggregate effect of Proposals II and III was to be found in the figures showing Italy’s losses of gold. On October 20th, 1935, the gold and foreign-exchange reserve of the Banca d’Italia amounted to 4,316 million lire. According to published statements by the Governor of the Bank, the Bank lost 909 million lire between October 20th and December 31st, 1935. In the period January-April 1936, the countries for which information was available showed gold imports from Italy to a total of 1,282 million lire. There was therefore a total loss in six months and ten days of 2,091 million lire, or half the original reserve.

Here was clear proof that the results of this initial attempt to apply Article 16 had not been negligible. As the President of the Assembly so rightly said two days before in his admirable closing speech, in another conflict, in which the opposing forces happened to be less unequal, the assistance given by such measures of an economic and financial character might be of the greatest importance to the State victim of aggression.

See Official Journal, April 1936 (Part II), page 384.

Document No.: Co-ordination Committee/128 and Addendum.

See records of the twenty-sixth plenary meeting of the sixteenth ordinary session of the Assembly.
2. Abrogation of the Restrictive Measures taken by the Governments of the Members of the League in conformity with the Proposals of the Co-ordination Committee: Adoption of a Draft Resolution.

The Chairman submitted the following draft resolution:

"The Co-ordination Committee set up in consequence of the Assembly recommendation of October 10th, 1935, with regard to the dispute between Ethiopia and Italy, proposes that the Governments of the Members of the League should abrogate on July 1936, the restrictive measures taken by them in conformity with its Proposals I A, II A, III, IV and IV B.

M. Turbay (Colombia), referring to the second proposal adopted by the Assembly at its meeting on July 4th, 1936, said he wished to make quite clear the views of his Government concerning the collective character of the measures taken in execution of Article 16 of the Covenant. The Colombian Government had adopted those measures following a resolution by the Assembly and the Council which it regarded as binding in view of its international obligations under Article 16 of the Covenant. It did not therefore consider itself at liberty to free itself from those obligations and duties until its freedom had been restored by a vote of the Assembly or of the Council. The Colombian Government was of opinion that, as those measures had lost their collective character owing to their abandonment as announced by certain States, their unilateral maintenance would be an act of hostility contrary to the spirit of the Covenant. For this reason, the Colombian Government agreed to sanctions being raised by the Co-ordination Committee, if the Committee so decided.

M. Garcia Oldini (Chile) said that his Government, faithful to its international undertakings, had applied, and was continuing loyally to apply, the sanctions decreed by the nations in common and ratified by his Government in the free exercise of its sovereignty. The war having come to an end, the Chilian Government considered that sanctions had no further purpose and should be raised. It had communicated this view to the League of Nations in a letter dated May 12th, 1936. This view had now been endorsed by several Governments, and the Assembly had approved a recommendation to the same effect. The Chilian delegation hoped that a resolution would in fact be adopted in the sense indicated by the Chilian Government in the letter to which he had referred.

M. Mayard (Haiti) said he had been careful to take no part in the plenary meeting of the Assembly, for the following reason: His Government had informed the Secretary-General of the League that, in its opinion, sanctions had become purposeless, and that consequently it had ceased to continue to apply them. This decision taken by the Government of Haiti was the outcome of a national necessity.

M. Mayard had just listened to the excellent report of the President concerning the effects produced on Italy by the collective sanctions adopted by the Members of the League of Nations. Unfortunately, the League of Nations had not yet been informed of the very difficult situation in which several States that had been applying sanctions found themselves.

It had been proposed, as a counterpart to sanctions, that the Co-ordination Committee should consider measures for compensating such losses as might be suffered by those States. Haiti had an important trade with Italy. That country took 33% of Haiti's exports, so that sanctions had probably had more effect on Haiti than they had on Italy, since Italy had been able to achieve her purpose, whereas the Haitian budget had been disorganised by the application of sanctions.

At the Assembly, various speakers expressed their regret, from the point of view of the idealistic aims of the League, that sanctions had not been effective. That feeling had been reflected in the proposal adopted by the Assembly. M. Mayard wished to point out, solely from a technical standpoint — which was the only one to be considered by the Co-ordination Committee — that, while he hoped with all his heart that the League of Nations would never again have to apply sanctions, it was extremely important that the sanctions weapon placed at its disposal should be perfected by a closer study of the system of compensation.

It must be fully realised that, in applying the sanctions provided in Article 16, States Members of the League were exposed to suffer far greater loss than might appear at first sight. He wished to draw attention to this matter so that the Co-ordination Committee might profit by the lesson which Haiti had drawn from a painful experience — a lesson which should be taken into account during the discussions at the forthcoming Assembly in September. In that connection, M. Mayard hoped it might be possible to recommend that States Members should in future renounce the practice of breaking off commercial relations for diplomatic reasons. He was not alluding to any particular case. He based his remark on the painful experience which Haiti had just undergone. "Experience", it had been said, "is a trophy of the arms by which we have been wounded." The Haitian people had suffered considerable loss because, in this particular case, they had been deprived of their trade with a country which took the major part of their exports.

1 Document No.: Co-ordination Committee/130.
2 Document No.: Co-ordination Committee/121.
M. Mayard would not dwell on the point; in the first place, because Haiti’s relations with the country in question were exceptional and, secondly, because the atmosphere seemed to have become less charged and the general situation seemed to be improving. Nevertheless, from the technical standpoint of the Co-ordination Committee, he wished to draw attention to the desirability, first, of considering in greater detail the question of compensations, if ever again — he hoped it might be never — sanctions had to be applied against a State and, secondly, of recommending States Members not to resort to a rupture of commercial relations for diplomatic reasons, so that the application of sanctions did not injure those applying them.

M. Mayard made the above brief comments in explanation of the fact that his country had found it absolutely necessary — a situation in which any other State might find itself — to forgo sanctions. That did not mean that Haiti was not entirely devoted to the principles of the Covenant and to the ideas contained therein, or to the rule accepted by the American States concerning the non-recognition of any settlement of territorial questions accomplished by force.

He asked the Committee to take note of his statement concerning the attitude of his country, and concerning measures of compensation to which he had just referred.

The CHAIRMAN observed that the Haitian delegate’s speech raised two questions.

One lay within the competence of the Committee: that was the matter of compensation. The members of the Committee would remember that the Committee on Mutual Support had been set up precisely to deal with this question. Hitherto, it had not received notice of any claims. If it had received notice of any claims, it would doubtless have examined them. He thought it was too late now to submit the point raised by the Haitian representative, who, moreover, he presumed, had referred only to the future.

The other question was not a matter with which the Committee could deal. The proposal was to recommend States to take a certain decision concerning the application of Article 16. On that point, the proper course for the Haitian delegate would be to suggest, through the Secretariat of the League of Nations, the study of a possible modification of existing procedure.

M. MAYARD (Haiti) said he had not intended to criticise the report of the Committee or its work. He had spoken from a purely technical standpoint. All States had undertaken to apply sanctions collectively. Sanctions therefore ought to be raised collectively. That view, which he had himself just expressed, was perfectly correct; but, that being so, he had felt obliged to offer some explanation of the urgent practical and national reasons which had obliged his Government to disregard that collective undertaking. The sole object of his observations was to bring home to the members of the States represented in the Committee the importance of the two points he had raised with regard to (1) the necessity of perfecting the sanctions weapon provided in Article 16, in order that States applying those measures to an aggressor State should not themselves be exposed to injury, and (2) the need for a modification of international practice in the matter of rupture of commercial relations for diplomatic reasons, leaving open the possibility of recourse to the Permanent Court of International Justice. There must of course be no derogation in any of those cases from the principle of national independence.

M. KOMARNICKI (Poland) thought that the object of convening the Committee was a purely practical one, in consonance with the essentially technical character of the Committee. Poland had already taken her decisions in her sovereign right with regard to her obligations under Article 16 of the Covenant.

As the trade between Poland and Italy was not very considerable, the slight difference in the time-limits for the abrogation of particular economic and financial measures in regard to Italy could not be such as in any way to affect the legitimate interests of the countries represented on the Co-ordination Committee.

It was, moreover, no part of the intentions of the Polish Government to seek any separate economic advantage in spite of the sacrifices which Poland had been compelled to make for months past in the performance of her collective duty as a Member of the League.

The Polish Government’s attitude was based entirely on the desire to observe and conserve the letter and the spirit of the Covenant and to conform to the established procedure, as had been clearly set forth in a letter from the Polish Minister for Foreign Affairs to the President of the Council of the League.1

In the light of the above considerations, M. Komarnicki proposed to abstain from voting.

M. DE LA BAUME (France), who had asked to speak in connection with the statement made by the delegate of Haiti, no longer desired to do so, as the Chairman, by the observations he had just made, had anticipated him.

M. TUDELA (Peru) recalled that the Peruvian Government had already expressed the opinion, in an official declaration on June 18th last, that, with the termination of hostilities in Ethiopia, sanctions had lost their object. If Peru had not taken any unilateral decision in the matter — although she recognised the right of every State to act in full exercise of its sovereignty, and respected the decisions taken by other countries — that was because she was anxious to give proof of her attachment to the principle of co-operation and collective action, which she regarded as a principle of paramount importance for the League of Nations.

1 Document C.273.M.163.1936.VII.
The Peruvian delegation accordingly supported the proposal on the agenda. It took the opportunity, further, to confirm the Peruvian declarations made in the Assembly on July 3rd last.\(^1\)

M. DE MADARIAGA (Spain) had not intended to take part in what he might call the post-humous discussions of the Committee; but the Polish delegate's declaration constrained him to break his silence.

He would not wish his silence to be interpreted as giving assent to a declaration which, in so far as it represented the freely determined act of a sovereign country, called for the Committee's respect, but which, in so far as it constituted a statement of principle on the subject of the Covenant, ought to be discussed and commented upon by the other Members of the League of Nations on equal terms and with equal rights.

It was perfectly true that the adoption by the several States of economic and financial measures under Article 16 was an act of sovereignty on their part: as to that, he entirely agreed with the Polish delegate. But, it was of the very essence of those measures that they should be applied in a co-ordinated manner, simultaneously and in collaboration. There was no diminution of the absolute rights of sovereignty of States Members of the League if, being resolved to apply economic and financial sanctions, they concluded what was in the nature of a contract for their application; finally, it was of the essence of such a contract that, being necessary for the application of sanctions, it should continue to be necessary for their discontinuance.

There was some danger — and on this point M. de Madariaga agreed with the Colombian delegation — in admitting that sanctions, once adopted collectively, could be raised, as, unfortunately, had now begun to be the case, for it was possible, by reasoning *ad absurdum*, to imagine the following situation: A case of aggression having been declared, the States, proceeding in obedience to a moral obligation inherent in their national sovereignty, applied economic and financial sanctions; then, at the end of a few days, one or more of their number ceased to apply them on the ground that they were useless!

While States were free to take a sovereign decision whether they should or should not apply sanctions, once the decision was taken, economic and financial sanctions must, of their very nature, be applied in co-operation. In practice, therefore, it was necessary to enter into the contract; this, moreover, seemed to be the sense of paragraph 3 of Article 16 of the Covenant, for it was implicit in the nature of that contract that it should be applied until, and including, the last act for which it provided — namely, the raising of sanctions.

M. RUIZ GUINAZÚ (Argentine Republic) said that the Argentine Republic had followed an unvarying line of policy in the difficult circumstances of the present time. It had adhered to that policy throughout the perplexities of the present situation, realising that the non-integral application of the articles of the Covenant was not the fault of anyone, since the situation was mainly due to defective legal provisions.

He had already had occasion to state, at the Council meeting in April 1936,\(^2\) that the League lacked both experience and legal precedent, and that the lack of both, which inevitably influenced the process of law, was the result of the long period of peace which the world had enjoyed until the moment when, after the Great War, that noble edifice, the League of Nations, had been set up, which had substituted for the absence of executory regulations in connection with Article 16, the instructions of 1921.

Those instructions had been proposed at the first meeting of the Committee of Eighteen which had taken place on October 11th, 1935. Although there had been some doubts as to their efficacy in application, they had ultimately been adopted by a number of States. This proposal was perhaps the best method of giving practical effect to the provisions of the Covenant mentioned above.

To-day the circumstances had changed. Article 16 provided that, should any Member of the League resort to war in disregard of its covenants under Articles 12, 13 or 15, it should *ipso facto* be deemed to have committed an act of war against all the other Members of the League of Nations. M. Ruiz Guinazú had already said that the circumstances were now different. There was no longer any question of war or of a threat of war, but of a declared annexation of a State Member of the League, or rather of a violation of the territorial integrity and political independence of another Member of the League. That case was covered by Article 10.

The violation in question had no connection with the sanctions imposed on Italy, which had been adopted under Article 16, but with those resulting from the means laid down for the enforcement of the obligation embodied in Article 10.

The new circumstances which had arisen implied the abrogation and suppression of the existing sanctions, imposed on quite different legal grounds, and their replacement by others.

Such, in brief, was the legal basis for the Argentine Republic's decision to vote for the raising of the existing sanctions.

The Argentine Republic, as he had said, was anxious to be strictly logical and strictly consistent so far as lay in her power, seeing that she had not contemplated the possibility of influencing the course of events in which she was not concerned.

The highest aims of the Argentine Republic had been realised by the meeting of the Assembly, for the convocation of which she had asked.

The Argentine delegate had explained to the Assembly that the attitude of the Argentine

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\(^1\) See *records of the twenty-fourth plenary meeting of the sixteenth ordinary session of the Assembly*.

\(^2\) See *Official Journal*, April 1936 (Part II), page 381.
Republic was taken up in response to a call of conscience and to principles that were irrevocable and unshakable. The Argentine Republic’s conception of the life of States, in their relations with one another, was based on absolute equality. It had maintained this view ever since the first Assembly, and was gratified to see that this principle was acknowledged and that the Argentine claim had thereby been satisfied. It was proud of the fact that the Argentine attitude had been recognised by many countries and that the underlying principle had been endorsed anew.

It was the duty of the Argentine Republic to maintain the principles which were part of the oldest tradition of America, principles without which it would be unable to maintain its relations with other States on a high level, because it did not recognise in such relations any differences of power between States. The Argentine Republic wanted the declaration of August 3rd, 1932 (which the recent vote of the Assembly recognised as an embodiment of the principles of the Covenant, of which it was the expression in that it excluded the solution by force of territorial questions), to remain closely and integrally related to the legal principles embodied in Article 10 of the Covenant in respect of the measures which, under its provisions, were within the jurisdiction of the Council. That was the sense of the Assembly’s decision on March 11th, 1932, in the Sino-Japanese dispute regarding Manchuria, to the effect that “it is incumbent upon the Members of the League of Nations not to recognise any situation, treaty or agreement which may be brought about by means contrary to the Covenant of the League of Nations or to the Pact of Paris”. At the same time, the Assembly declared that “it is contrary to the spirit of the Covenant that the settlement of the Sino-Japanese dispute should be sought under the stress of military pressure on the part of either party”. The Assembly’s ruling on that occasion determined the logical attitude of the Argentine Republic.

The Argentine Republic believed that a change in the legal situation had removed the occasion for, and entailed the abrogation of, the sanctions taken under Article 16, and that it was now necessary to make a declaration similar to that announced in the case of Manchuria. That task, in M. Ruiz Guínazú’s opinion, lay with the Council. For the purpose of that declaration, it was advisable to make quite clear that President Wilson, the author of Article 10, had stated, in the United States Senate, in such a manner as to leave no doubt, that the measures to be adopted could not in any case be of a military character; this had been recognised by the 1923 Assembly when discussing the reform proposed by Canada. It was on that basis and in that sense that the Argentine Republic voted for the raising of sanctions.

He took the opportunity of expressing, on behalf of his Government, his deep regret that no special vote was taken when the representatives of Ethiopia submitted their concrete case to the Assembly. He had the greatest respect for rules of procedure and for the interpretation given by the Assembly to the vote on the General Committee’s draft; but he felt bound to declare, on behalf of his Government, that, if such a vote had been taken, the Argentine Republic would have voted in accordance with its principles.

When the Argentine Government asked for the Assembly to be convened, it said that it wished for frank handling of the question and hoped to contribute to a supreme effort on behalf of peace. It had acted in the general interest no less than for the benefit of the great Latin nation to which the Argentine Republic was so warmly attached. The latter trusted that the necessary common effort would be made for the re-establishment of right.

The Argentine Republic would, as always, co-operate in that task, and to that end would proceed to consider means of strengthening the authority of the League of Nations in accordance with the vote of the Assembly, with a view to adapting the application of the principles of the Covenant to the lessons to be drawn from recent painful experience. Its co-operation would be based on the hope that international morality would always preside over the proceedings of the League.

M. Sandler (Sweden) had not intended to speak at the present meeting, seeing that speeches could not in any way alter the tragic reality; but he desired to associate himself in principle with what had been said by the representative of Spain.

The sovereign rights of States were unaffected; but he considered that it was in conformity with the spirit of the Covenant not to raise collective measures pending collective consultation at Geneva.

The Chairman observed that the Committee’s discussions were tending to exceed its terms of reference. He had the utmost regard for freedom of speech, and for this reason had not interposed in the case of previous speakers. But he must point out that the Committee had gone beyond the question under discussion.

Speaking as the representative of Portugal, he desired to add his testimony to that of other speakers, and to say that his country’s interpretation of the position tallied entirely with that put forward by M. de Madariaga.

M. Komarnicki (Poland) said that his sole reason for speaking had been to explain his attitude in regard to the vote to be taken by the Committee. As, however, M. de Madariaga had seen fit to make certain observations, he was bound to reply in order to make matters clear. He had agreed with M. de Madariaga in regard to the collective and co-ordinated application of special measures taken under Article 16 of the Covenant. Such measures remained in force so long as their objective continued to exist; they lapsed as soon as the circumstances which gave rise to them no longer existed. It was understood that the Members of the League had complete discretion in their appraisement of such circumstances, and were individually responsible thereof.

1 See Official Journal, Special Supplement No. 101, pages 87 and 88.
M. Komarnicki considered it quite out of place, on the present occasion, to enter into an exhaustive discussion of the point with M. de Madariaga; but he wished to say that he could not, in any circumstances, accept M. de Madariaga’s view with regard to the Covenant and the obligations it entailed, nor even admit any of the statements made which went beyond the strictly technical terms of reference of the Co-ordination Committee.

The CHAIRMAN observed that there would be an opportunity of discussing the matter elsewhere.

M. Costa du Relis (Bolivia) recalled that, in the spring of 1935, when a serious dispute, in which his country was concerned, came before the Assembly, the League of Nations, in consequence of a chain of circumstances which it was not his business to discuss, exhibited the most complete inertia and indifference in regard to the strict application of the Covenant. In October 1935, on the other hand, on the occasion of another dispute, the League displayed unexpected energy; which led him to remark that his country could not understand this seasonal policy, this policy of two weights and two measures. Faithful, however, to the duties incumbent on it under the terms of the Covenant, fighting down its natural sympathy and friendship for the Italian people and taking its stand on the basis of the collective decisions of the Co-ordination Committee, Bolivia consented to apply sanctions to Italy. Later, in the spring of 1936, the standards of the various States had changed again, inasmuch as for political reasons, on which he did not propose to dwell, it was proposed that sanctions should be lifted. The Bolivian Government would not be more “royalist than the King”. It would discontinue sanctions. But he wished to say categorically that, in so far as Bolivia was concerned, the lifting of sanctions in no wise implied the recognition, either direct or indirect, of the acquisition of territory by force. It did not imply the least indifference or disloyalty to the American States’ Declaration of August 3rd, 1932. On this point, he most cordially endorsed the explicit declaration made by the Argentine delegate before the Committee.

M. Wellington Koo (China) had not intended to speak; but, after hearing the various speeches and declarations made that morning, he felt it his duty to make the following statement.

China had always remained faithful to the principle of the collective action of the League. The Chinese Government had accepted the decision of the Assembly to apply sanctions, in the first instance, last October; and it would accept in the same spirit the decision to raise sanctions. But it did so on the clear understanding that such acceptance on its part did not in any way prejudice either the principles of the Covenant—in particular, those of Article 10—or the principle of the non-recognition of the settlement of territorial questions by force of arms, as in the Sino-Japanese dispute, or its attitude with reference to the status of territories involved in the Italo-Ethiopian conflict.

The CHAIRMAN observed that the statement just made referred to a question which had, in reality, already been decided by the Assembly.

M. Bourquin (Belgium) was quite prepared to vote for the text before the Committee; but, to avoid all possibility of misunderstanding, he wished to make it clear that, in so doing, his delegation expressed no view whatsoever on the political arguments advanced by certain delegations on their own behalf.

The CHAIRMAN considered that, after what he had just said as Chairman of the meeting, no one could fail to realise that the Committee was not asked to vote on that point.

M. de la Baume (France) would have preferred the Committee strictly to confine itself to consideration of the technical questions for which it had been convened. As, however, the Spanish representative had been led, in the course of the discussion, to interpret the extent of the obligations ensuing from the application of Article 16 of the Covenant, he felt bound to state that he could not but associate himself with what M. de Madariaga had said on that subject.

Mr. Stevenson (United Kingdom) associated himself with the French representative’s observations.

The CHAIRMAN considered that the Committee was now in a position to vote on the text of the resolution he had read. The date, however, remained to be fixed. What were the Committee’s views on the matter?

Mr. Stevenson (United Kingdom) said that, for reasons of a constitutional and administrative character in connection with the United Kingdom, he had been instructed to propose July 15th, 1936.

M. Santos (Portugal) proposed July 10th.

M. Gorge (Switzerland) seconded M. Santos’ proposal.

M. de la Baume (France) supported the United Kingdom delegate’s proposal of July 15th.

The CHAIRMAN asked whether the delegates who had proposed July 10th were prepared to fall in with the United Kingdom proposal.
M. GORGE (Switzerland) said that, as sanctions were virtually at an end, he failed to understand why it should be necessary to wait a further ten days for a consummation which, in substance, was already attained. The purpose of the meeting was to ensure simultaneity, as far as possible, in the lifting of sanctions. The only alternative to a general rush to get rid of sanctions was to agree upon the earliest possible date. If was for these practical reasons that he proposed July 10th.

Mr. BRUCE (Australia) said that, in the case of countries as far away as Australia, it would be very difficult to make all the necessary arrangements within a period of four days. It would be much better, in view of these difficulties, to fix July 15th as the date.

M. TUDELA (Peru) wondered whether there was any objection to a decision whereby the States would be free to lift sanctions some time between July 10th and 15th.

The CHAIRMAN saw an objection in that the Assembly had said that a definite date should be fixed.

The Aga Khan (India) agreed with the Australian representative. For the more distant countries, July 15th was a much better date.

The CHAIRMAN noted that the representatives of the countries which had proposed July 15th had been actuated by constitutional reasons or considerations of distance. These were good and sufficient reasons, and he therefore requested those members of the Committee who had suggested July 10th not to press their proposal.

The Committee decided upon July 15th as the date on which sanctions would be raised.

The CHAIRMAN put to the vote the following resolution:

"The Co-ordination Committee set up in consequence of the Assembly recommendation of October 10th, 1935, with regard to the dispute between Ethiopia and Italy, proposes that the Governments of the Members of the League should abrogate, on July 15th, 1936, the restrictive measures taken by them in conformity with its Proposals I A, II, II A, III, IV and IV B."

The resolution was adopted.

3. A. Closing Date for the Transmission to the Secretariat, by Governments, of Particulars relating to Trade with Italy.

B. Study of the Practical Application of the Measures taken by Governments in conformity with the Proposals of the Co-ordination Committee: Joint Proposal by the French and United Kingdom Delegations.

M. DE LA BAUME (France) said that, in agreement with the United Kingdom delegation, his delegation had thought it might be useful to turn the experiment which was now drawing to a close to the fullest practical account by subjecting the measures which had been applied to investigation, in the first place, by the Governments and, subsequently, by a Committee of Experts appointed by the Governments.

Before reading the joint proposal submitted by the two delegations, he would like to explain what it implied. It was not intended that Governments should examine the question whether sanctions had been faithfully applied by any given country. It was not in any way intended to call any country to account. All countries had applied sanctions with a great deal of goodwill. Nor was the purpose to investigate what had been the effect of the measures adopted on Italy's economic life. All that belonged to the past, on which nothing more need be said. The proposal was merely to ask each Government to ascertain, in so far as its own territory was concerned, to what difficulties the application of sanctions had given rise—for example, in the matter of legislation or regulations—and to find out where the weaknesses of the measures adopted lay. In connection with this latter point, he would refer in particular to the question of indirect traffic, the 25% rule, and the exception made in regard to contracts prior to October 10th. It would appear that those various exceptions and derogations might have permitted certain leakages in the traffic from Italy to the sanctionist countries.

In the light of the above qualifications, he would read the following joint proposal of the French and United Kingdom delegations:

"In order to complete the documentation in the possession of Governments with reference to the application of the various Proposals made by it, the Co-ordination Committee suggests that Governments should:

(a) Continue to complete and forward to the Secretariat the questionnaire concerning their trade with Italy and Italian possessions up to and including that relating to the month of June 1936;"

1 Document No.: Co-ordination Committee/129(1).
"(b) Furnish, before October 31st, 1936, to the Secretariat, for circulation to Governments, a memorandum setting out their experience with reference to the application of the measures enforced and such conclusions as this experience would seem to suggest; 

"(c) Appoint experts to serve on a committee to study this documentation and submit a report to Governments."

Mr. Stevenson (United Kingdom) said His Majesty’s Government in the United Kingdom considered it of the first importance to make an accurate technical study of the machinery for the application of the measures taken under Article 16. Such a study would be very useful for the future. The United Kingdom delegation had accordingly decided, in agreement with the French delegation, to submit the proposal in question; and he hoped the Committee would approve it.

The proposal was adopted.


The CHAIRMAN said that he still had one duty to discharge — the only really pleasant duty in all that arduous and thankless task. He had to thank the Committee for the confidence and support it had been good enough to afford him during long months of effort and anxiety. Without that generous assistance, it would have been impossible to create, and by rapid improvisations to set in motion, such complicated machinery. Their confidence and their constant support had constituted the best possible compensation for the bitter and unjust attacks which, as Chairman, he had not been spared, although they had not for a single moment caused him to deviate from the path of duty and impartiality. "The Committee had throughout worked without hatred or bitterness and with the sole desire to respect and apply the principles of the Covenant within the limits laid down for it and in accordance with the interpretations it had adopted. That was the only reason for the participation of Portugal; for Portugal was actuated solely by the desire to honour her international undertakings — which was equally the motive of the Committee’s decisions.

As he had already said, the Committee had been working chiefly for the future. The great lesson would not have been wasted. It had been shown, by a general movement which surprised the whole world, that the collective spirit was a living reality and that, though economic and financial sanctions were (as had been foreseen) incapable of arresting the warlike advance of a great army, they nevertheless constituted a powerful weapon against any aggressor.

He desired also to pay a tribute to those who, in the technical Committees, had collaborated so admirably with the Co-ordination Committee, and to the members of the Secretariat who had shown a devotion and competence above all praise. In the forefront of those incomparable workers he would mention Mr. Loveday, the Secretary of the Committee, and his chief collaborators.

M. de Madariaga (Spain) said he was sure all his colleagues would desire, as he did, to associate themselves whole-heartedly with what the Chairman had said with regard to the members of the Secretariat who had assisted the Committee, and more particularly with regard to that admirable technical worker, Mr. Loveday. But there was one point to which M. de Vasconcellos had omitted to refer, and that was the question of the thanks due to the Chairman.

To direct the task which the Committee was called upon to assume, a man of very rare powers was needed. He had, in the first place, to have expert knowledge of the duties of the Chair. The chairmanship of organs of the League was a very difficult task from the technical standpoint alone. It called for many and varied abilities. M. de Vasconcellos had shown that he possessed those abilities to a brilliant degree when, tirelessly and perseveringly, he presided for a long period over the Budgetary Committee of the Disarmament Conference. M. de Madariaga had himself presided over another Committee of the Disarmament Conference, which perhaps entitled him to say that the Committee of which M. de Vasconcellos was Chairman was the only one that left behind it work of lasting value, work that might, as it stood, be embodied in the corpus of international law.

There was, however, yet another quality which their Chairman had to possess. To direct work which, to those whose susceptibilities had become morbid, might seem to be prompted by bitterness or, as the Chairman had said, by hatred, the man chosen had to be above all suspicion in respect of motives. It was a fact that the most unpleasant, the most arduous, the most difficult tasks which the League had had to perform in connection with this dispute had fallen to Portugal. He had in mind the Chairmanship of the Sub-Committee of the Council which proposed the finding that an aggression had been committed and the Covenant violated, and the Chairmanship of the Committee dealing with the measures to be taken against the aggressor — two posts in which there was need for the display of high courage and self-sacrifice and that sentiment of collectivity which must reign in the League of Nations. A country which could find men ready to assume such grave responsibilities — and he associated in his tribute to M. de Vasconcellos the name of the distinguished Minister for Foreign Affairs of Portugal, M. de Monteiro — must rise superior to all base sentiments. It was essential that the decisions taken by the League of Nations should not bear the least trace of hatred, and that what had to be done in the name of all should not appear to be directed against Italy, but for Italy herself. Now was the moment to remember all those things and to pay a tribute to a man who had deserved well of the international community.
M. de la Baume (France) said that his Government was glad to have that opportunity to pay a tribute to the zeal and devotion with which the Chairman had directed the Committee's discussions. He therefore associated himself fully with what had been said by M. de Madariaga.

Mr. Stevenson (United Kingdom) said that the United Kingdom delegation associated itself very warmly with what had been said by the representative of Spain. The complete devotion and courage of the Chairman were recognised by all. On behalf of the United Kingdom delegation, he begged him to accept that expression of their thanks and of their sincere admiration.

The Chairman thanked his colleagues for their appreciative remarks concerning himself. The epidemic of crises which was raging throughout the world had seriously affected the League of Nations. The greatness of its ideal and of the principles on which it had been founded would enable it to overcome the crisis and emerge sounder and stronger than ever. The cause of peace was not lost. Let them not be discouraged! Let them lift up their hearts!

He declared closed the work of the Co-ordination Committee.