

LEAGUE OF NATIONS

Official Journal

SPECIAL SUPPLEMENT No. 149

DISPUTE BETWEEN ETHIOPIA AND ITALY Co-ordination of Measures under Article 16 of the Covenant

I.

COMMITTEE OF EIGHTEEN

MINUTES OF THE FIFTH SESSION

March 2nd to 4th, 1936

II.

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for the Technical Examination of the Conditions governing the Trade in and Transport of
Petroleum and its Derivatives, By-products and Residues
(Resolution of the Committee of Eighteen, dated January 22nd, 1936)

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March 4th to 9th, and April 21st, 1936

IV.

CO-ORDINATION COMMITTEE

MINUTES OF THE THIRD SESSION

July 6th, 1936

GENEVA, 1936.

MEETING HELD ON MONDAY, JULY 6TH, 1936, AT 10 A.M.

Chairman : M. DE VASCONCELLOS (Portugal).

1. Opening Speech by the Chairman.

The CHAIRMAN stated that, a short while ago, he had received a letter from the Chilian representative¹ 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.² 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, 1935,³ and began work on October 11th, 1935.⁴ 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

¹ Document No. : Co-ordination Committee/121.

² See records of the twenty-sixth plenary meeting of the sixteenth ordinary session of the Assembly.

³ See *Official Journal*, Special Supplement No. 138, page 114.

⁴ See *Official Journal*, Special Supplement No. 145, page 12.

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, 1936,¹ 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 distributed² 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,³ 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.

¹ See *Official Journal*, April 1936 (Part II), page 384.

² Document No. : Co-ordination Committee/128 and Addendum.

³ 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 :¹

“ 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 IA, II, IIA, III, IV and IVB.

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. GARCÍA 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 Chilean 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, 1936.²

This view had now been endorsed by several Governments, and the Assembly had approved a recommendation to the same effect. The Chilean delegation hoped that a resolution would in fact be adopted in the sense indicated by the Chilean 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 League³ 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.

³ Document C.272.M.162.1936.VII and document No. : Co-ordination Committee/74(b).

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 GUIÑAZÚ (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 Guiñazú 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

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 one with the other, 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 that¹ "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 Guñazú'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 quite 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 appraisal of such circumstances, and were individually responsible therefor.

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 REIS (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. GORGÉ (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. GORGÉ (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. It 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 :¹

“ 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).