

the Convention gave the Council the power to decide whether a country had or had not violated its international obligations, although in many cases such a decision involved points of an essentially juridical nature which the Council as a diplomatic organ should not be called upon to decide.

After a detailed discussion of each Article, the Draft Convention was accepted in the form and in the substance prepared by the Committee on Arbitration and Security. A few minor changes were introduced, but there was no essential modification.

Article 1, dealing with Financial Assistance in case of war, was altered slightly. The High Contracting Party undertakes now to submit the dispute not only to judicial or arbitral settlement but also to any other pacific procedure which the Council may deem suitable.

Under Article 2, which treats of the case of threat of war or of an international dispute likely to lead to a rupture, the Delegate of Germany repeated his Government's objection expressed already before the Committee on Arbitration and Security, to the extension of financial assistance to cases of threat of war. By granting a loan the Council definitely and almost irrevocably took up a position in favour of one of the two parties to the dispute, and after the Council had adopted this position the party against which the loan was granted would no longer be inclined to recognize the Council as an impartial authority. By the fact that the loan had been granted, the mediatory and conciliatory action of the Council could no longer be usefully employed. There was a second danger—the State to which the loan was granted might use it to complete its armaments, so that its position might become definitely superior to that of its adversary. It might then change its attitude; instead of being the threatened party it might assume a menacing attitude and might even become the aggressor. It was inadmissible that funds for the maintenance of peace should be employed to forge the weapons of war.

The Delegate of Norway stated that his Government had very serious doubts as to the application of financial assistance in cases of threat of war, and that his delegation would abstain from voting on this Article.

An important paragraph was introduced in Article 15. It was agreed that, in cases of threat of war, the Protocol regulating the conditions of the loan should contain provisions enabling the Council to suspend at any moment the payment to the Government receiving the loan of such part of the proceeds of the loan as was not yet paid if the Council considered that such a measure was rendered necessary by the attitude of that Government after financial assistance had been granted to it.

Although there was some opposition on the part of a few Delegations to making the coming into force of financial assistance dependent upon the completion of a general disarmament plan, as provided in Article 35, the weight of opinion was in favour of accepting this principle.

On the proposal of the Delegate of France the Committee recommended that the Council should instruct the Financial Committee to prepare drafts of the various documents referred to in the Convention that might be necessary for its entry into force, such as protocols, loan contracts, etc.

The Representatives of Austria, Hungary, India, New Zealand, South Africa, Switzerland, Venezuela and Canada abstained from voting on the Convention.

The Representative of India, in abstaining, explained that, if the Convention failed to attract important support outside Europe, India might prefer to stand aloof. Should, however, the Convention attract support not merely in Europe, but also in Asia and elsewhere, then he believed that India would very probably desire to collaborate.