

The Committee took the position that the view entertained by the representative of Paraguay was not well founded. In its opinion, the words "dispute likely to lead to a rupture" meant that only disputes having a certain degree of gravity were to be dealt with. In a case where a rupture had actually taken place, there was still stronger reason for the Council or the Assembly to deal with it. If it were necessary to prevent war, it was still more necessary to re-establish peace. To exclude the applicability of Article 15 in a case where war existed would be to admit that the Covenant entitled States in conflict to withdraw from their obligations under it by provoking a rupture. The Committee therefore expressed the opinion that Article 15 of the Covenant was applicable in its entirety even in a case where the parties were at war.

*Prohibition, under the Provisions of the Covenant, of the Supply of Arms and War Materials to Belligerents*

In the course of the discussion in the Sixth Committee on the dispute between Bolivia and Paraguay, the Italian representative explained that his Government, while adhering to the proposal for an embargo on the supply of arms and war materials to Bolivia and Paraguay, took the view that an embargo on war materials for belligerent countries was not a measure which should be adopted outside the procedure provided for in the Covenant for the settlement of a dispute, and without previously determining which State or States could be deemed responsible for the dispute. He pointed out that Article 11 of the Covenant, which up to the present had been applied to the dispute between Bolivia and Paraguay, does not contemplate any such measure, and submitted that the prohibition of the exportation of arms and war materials to belligerents raised a question of principle which required consideration from the standpoint of pure law, and, in particular, from that of the interpretation of the Covenant.

The question was accordingly submitted to the First Committee, which, after an exchange of views, agreed on a report distinguishing between (1) the issues which arose in the particular case of Bolivia and Paraguay and (2) the more general question of prohibiting, under the provisions of the Covenant, the supply of arms and war materials to belligerents.

With respect to the former question, the Committee took the view that the Members of the League of Nations which had imposed the embargo had been able to do so without the application of any of the Articles of the Covenant. This was a lawful act performed in the exercise of their sovereignty and did not conflict with any provision of the Covenant. It was motivated by a desire, in the general interest, to put an end to a war—an object Members of the League were eminently qualified to seek.

With respect to the latter question, the general principle involved, the Committee reported that the discussion raised problems of a very complicated nature which could not be solved in the space of a few days. It recommended, therefore, that the Council be requested to appoint a special committee for the purpose.

SECOND COMMITTEE

(Economic, Financial, Transit and Health Questions)

*Economic Questions*

The Second Committee, within whose competence falls the task of surveying and interpreting to the Assembly the experience of the past year in the sphere of international economic activities as well as of discussing and examining proposals for future action, met this year at an important juncture in the development of commercial policy. It found the dominant characteristic of the present economic situation to lie in the contrast between, on the one hand, the economic recovery which is taking place in many countries, and, on the other, the continuation of