

The amendments were briefly considered as the relevant articles were reached, and the Chairman of the Finance Committee, who was present, was requested to take note of the various suggestions regarding financial and technical points raised, while the Committee on Disarmament and Security is to study the political issues involved. In regard to the suggestion that there should be international supervision of the expenditure of loans raised under the convention, I pointed out the inadvisability of pressing the point too far, as the State receiving the benefit of the loan would be primarily responsible for its repayment, and, further, the absence of delay would be of primary importance to the attacked State. Such a State could not be expected to await the appointment of an International Committee of Supervision before applying the proceeds of the loan towards providing what might be urgently and vitally necessary for its defence.

Apart from Article 1, the most important Article is No. 26, requiring that the decision of the Council on any case submitted to it should be unanimous, after exclusion from voting of any members representing States which are parties to the dispute. No definite solution of the various problems arising under this article was achieved, and the matter was, like other contentious points, referred for the consideration of the Committee on Disarmament and Security.

With regard to Article 29, it was decided to refer it to the Finance Committee to suggest the sum which should be regarded as the minimum to be assured before the convention should become operative. Fifty per cent. was suggested.

The consideration of Article 30, and particularly of the important principle contained in the proposed British amendment (Document A. 111/15), was deferred until next meeting. Viscount Cecil pointed out that there seemed to be general agreement that the convention must be linked up with disarmament, and only be applicable in favour of States which had not only ratified the Disarmament Convention but also carried it into effect. He agreed, however, that there might be a difference of opinion as to whether it would be wiser to make the coming into force of the convention contingent on the prior ratification of the Disarmament Convention, or whether it would be better to follow the lines laid down in the British proposal and bring the Convention for Financial Assistance into operation as an inducement to States which might have been hesitating about ratifying the Disarmament Convention, to do so, in order to qualify for the benefits available with regard to financial assistance. The British proposal allowed a State which had ratified the Financial Assistance Convention to withdraw from that convention if the Disarmament Convention had not come into force within one year thereafter.

During the debate Sir George Foster repeated that Canada would probably be unwilling to make her acceptance of financial liability in connection with a loan dependent upon the decision of the Council, even if unanimous. She would reserve for her own Parliament the right to decide whether or not to associate Canada with the Council's decision and to participate in guaranteeing a loan. It was generally agreed that such an attitude was quite contrary to the spirit of the proposed convention, and a State adopting it would not be considered as having accepted the convention.

Certainly the most important amendment was the draft of the British delegation, when Lord Cecil moved that—

“The signatories reserve the right to withdraw from the Financial Assistance Convention if within one year from its ratification a Disarmament Convention has not come into operation. It is also to be a condition that no country which is not a party to such Disarmament Convention or which shall fail to carry out its obligations under such a convention shall be entitled to the benefits of the present convention.”

A most interesting debate took place. As the discussion proceeded it was quite clear that the British Government would be insistent upon financial assistance depending and hanging on disarmament. The two things were intertwined and interdependent. Nearly all the delegations adopted the same viewpoint. The only solitary voice of doubt was that from Uruguay, whose delegate said that it seemed to him that the committee, by this proposal to withdraw financial assistance from any member who had not ratified the Disarmament Convention, was simply relegating the rendering of financial assistance to posterity. The Danish, Norwegian, Persian, French, and Italian delegations, however, strongly supported the British viewpoint.

I was greatly interested in this discussion. Personally, I should have supposed that a scheme to render financial assistance to a State member of the League wrongly attacked should precede and encourage disarmament on the part of the State thus freed from anxiety in respect of an aggressive war upon it. But it is clear that the British Government has always adopted the view that no scheme of financial assistance should become operative unless a Disarmament Convention immediately follows the promulgation of the scheme. Eventually the British draft, as above indicated, with a change of verbiage in the first section, was adopted unanimously by the committee.

After this issue had been disposed of, the committee then returned to the consideration of the form of the various articles in the convention (Document A. 10), and after making some sundry changes in form the committee eventually carried a resolution in general terms for the acceptance of the Assembly, in which once more the connection between disarmament and financial assistance was emphasized. And finally the Third Committee suggested that the Committee on Arbitration and Security, in collaboration with the Finance Committee, should be invited to prepare a text which would be submitted for the Special Conference on Disarmament before the next Assembly.

At length a very comprehensive report on the draft convention, embodying the general views of the committee, was submitted by the Third Committee to the Assembly. Among the stipulations recommended are the following: The present convention shall not come into force until a general Disarmament Convention in accordance with Article 8 of the League Covenant has been brought into operation. The present convention shall cease to have effect as soon as the general Disarmament Convention ceases to be operative. It is also to be a condition that no country which is not a party