

of the notice, with the consequent accumulation of unpaid contributions? As one member suggested, such a State would cease to be an honourable and become a dishonourable member. Again, of how many States who have already left and have fulfilled the obligation to pay can it be said that they have fulfilled all of their international obligations? It is not many years ago since a nation which had been declared by the Assembly as having violated the Pact gave notice of its intention to withdraw, and at the expiration of such notice, having fulfilled its financial obligation towards the League, was deemed to have ceased to be a member. And here there was a question of the application of paragraph 4 of Article 16, which reads:

“Any member of the League which has violated any covenant of the League may be declared to be no longer a member of the League by a vote of the Council concurred in by the representatives of all the other members of the League represented thereon.”

On the other hand, it has been suggested that a State which has not been so branded, but merely wishes to leave the League, shall continue to be a member until its financial obligations have been fulfilled. I should here remark that this argument has not so much force in the case of those States who have made a special arrangement to pay arrears and which are keeping to that arrangement.

It was perhaps unfortunate that in some quarters there was an attempt to consider as having the effect of a resolution, and therefore binding, a passage in a report submitted to the Assembly of 1935, and reading:—

“The Government of Paraguay has given notice of withdrawal from the League. Before withdrawal, it will be required, in accordance with Article 1 of the Covenant, to fulfil all its financial obligations to the League up to the actual date of withdrawal . . .”

On a legal point the Permanent Court of International Justice can always be asked to give an advisory opinion, but that proceeding did not appeal to the majority of the Committee, even to the lawyers, and it was thought desirable that the Assembly itself should decide. At the close of the discussion the Chairman adopted a suggestion which had been made by a member at the outset that the question be considered by a sub-committee, which, when deliberating, should take into account the tendencies of the debate.

At the meeting on the 30th September the Committee had before it a reply which had been drafted by the sub-committee stating that after considering the question in all its aspects it had reached the following conclusions:—

“(a) The case of Honduras:—

Honduras can be permitted to continue to pay instalments on consolidated contributions for seventeen years after leaving the League.

“(b) The case of Nicaragua:—

The Assembly can grant a reduction of debt to a State which has given notice of withdrawal.

The withdrawal of such a State can become effective at the end of the period of two years, although it has not then paid off its debt in full.

“(c) The case of Paraguay:—

1. It is clearly the duty of a member of the League to discharge all its financial obligations towards the League of Nations before its withdrawal becomes effective.

2. But Article 1, paragraph 3, of the Covenant does not oblige the League to treat as a member a State which has resigned from the League but has not paid its debts to the League.

3. Accordingly, without seeking to give an authoritative interpretation applicable in all cases, the First Committee is of opinion, in view of the facts of the particular case, that Paraguay may be considered to have ceased to be a member of the League of Nations, notwithstanding its undoubted default as regards its financial obligations towards the League.

4. Paraguay will, however, remain liable to discharge the full amount of its debt, as well as to discharge all its other obligations towards the League of Nations. The League is free to recover the amount due to it by all the means at its disposal.”

The conclusion in regard to Paraguay was at once contested by the representative of Bolivia, who, after explaining that a local settlement of a dispute which his country had had with Paraguay was pending before a tribunal which was an emanation of the League of Nations, stated he was opposed to a method of dividing the various obligations arising out of the Covenant. He added that if the sub-committee's view were adopted he would reserve to himself the right to discuss the question in the Fourth Committee and even in the Assembly. The representative of Bolivia was followed by other speakers, and more than one suggestion of a way out of the difficulty was made. Finally, the Chairman made an ingenious proposal to the effect that this section of the draft reply dealing with Paraguay should be replaced by a passage to the effect that “the First Committee thinks that it is not desirable to give a reply at the moment to the question put.” I feel bound to say that the majority of the Committee seemed to favour the original draft.

Although the final act rightly belongs to the Fourth Committee, it will be convenient to dispose of the matter here. When the draft report on the Budget was under discussion the drafting of the passage relating to Paraguay was challenged by the representative of Bolivia, on the ground that sufficient stress had not been laid on the legal position as defined in paragraph 3, Article 1 of the Covenant. M. Hambro and others asserted that the draft was precise and did not prejudice the legal position. However, a slight amendment was proposed by a member of the Committee which gave satisfaction to the representative of Bolivia, and the draft as amended was adopted (Document A. 76, 1937, X).