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the Council and the Members  
of the League.]

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LEAGUE OF NATIONS

**REPORT ON THE  
WORK OF THE LEAGUE  
1938/39**

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Series of League of Nations Publications

GENERAL

1939. 2.

*NOTE BY THE SECRETARY-GENERAL*

*Hitherto the annual report to the Assembly on the work of the League of Nations has appeared in two parts, the first of which was circulated in the second fortnight of July and the second just before the session of the Assembly.*

*In future, as already notified to Governments (Circular Letter 71.1939), the report will appear in a single volume.*

*The two usual annexes published just before the Assembly—viz :*

*Ratification of Agreements and Conventions, concluded under the Auspices of the League of Nations, and*

*Note by the Secretary-General on the Economic Situation—will appear as usual.*

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## WORK OF THE LEAGUE

### 1.

#### • COMPOSITION OF THE LEAGUE OF NATIONS AND OF THE COUNCIL : CHANGES DURING THE YEAR 1938/39

• On September 21st, 1938 (nineteenth session of the Assembly), the Dominican Republic, Greece and Yugoslavia were elected Members of the Council. On the same date, Ecuador, Poland and Roumania ceased to be Members of the Council.

\* \* \*

In a telegram received at the Secretariat on April 9th, 1939, the Minister for Foreign Affairs of Peru informed the Secretary-General that the Peruvian Government had decided to withdraw from the League of Nations and that it gave the notice provided for in Article 1, paragraph 3, of the Covenant.

In the same communication, the Peruvian Government signified its intention to continue its co-operation with the technical bodies of the League to which non-member States might belong, and, in particular, the International Labour Organisation and the Permanent Court of International Justice.

The Peruvian Government's telegram and the Secretary-General's reply were communicated to the Members of the League.<sup>1</sup>

\* \* \*

In a telegram received by the Secretariat on April 11th, 1939, the Minister for Foreign Affairs of Hungary informed the Secretary-General that Hungary was withdrawing from the League of Nations under Article 1, paragraph 3, of the Covenant.

In the same communication, the Hungarian Government stated its intention to continue its collaboration with the League in the technical field and its participation in the Permanent Court of International Justice and in the International Labour Organisation.

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<sup>1</sup> See document C.117.M.71.1939.VII, *Official Journal*, March-April 1939, page 204.

The Hungarian Government's telegram and the Secretary-General's reply were communicated to the Members of the League.<sup>1</sup>

\* \*

On April 13th, 1939, the Secretary-General received the following telegram from Tirana : " The Albanian Government set up by the Constituent Assembly has unanimously decided in favour of the withdrawal of the Albanian State from the League of Nations. I have the honour to request you to give effect to this decision and to send me acknowledgment of the receipt of the present communication.—VERLACI, Head of the Government."

The Secretary-General replied to this telegram that, not being competent to decide as to the validity of this communication, he was transmitting it with his reply to the Members of the League of Nations for their information.<sup>2</sup>

\* \*

In a telegram received by the Secretariat on May 9th, 1939, the Minister for Foreign Affairs of Spain notified the Secretary-General of Spain's withdrawal from the League of Nations under Article 1, paragraph 3, of the Covenant.

The Spanish Government's telegram, together with the Secretary-General's reply, were communicated to the Members of the League.<sup>3</sup>

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<sup>1</sup> See document C.118.M.72.1939.VII, *Official Journal*, March-April 1939, page 205.  
<sup>2</sup> See document C.120.M.74.1939.VII, *Official Journal*, March-April 1939, page 205.  
<sup>3</sup> See document C.139.M.89.1939.VII,



2.

APPEAL BY THE CHINESE GOVERNMENT

The Chinese Government's appeal under Articles 10, 11 and 17 of the Covenant has, at that Government's request, continued to appear on the Council's agenda.

*Council Resolution of January 20th, 1939* (Hundred-and-fourth Session).

During its hundred-and-fourth session, on January 17th, 1939, the Council heard a statement by the representative of China.

After defining the character of the Sino-Japanese conflict and the military and political situation at that time, Dr. Wellington Koo said that the League of Nations, with all its failures in the past, was still, in the opinion of the Chinese Government, capable of serving the cause of peace if the Member States, especially the most responsible ones, were willing and ready to extend full support to Chinese efforts.

Among the measures, short of war, which were capable of exerting pressure upon the aggressor, the Chinese representative mentioned a boycott by Governments of Japanese goods, particularly silk and textile fabrics, and an embargo on supplies to Japan, particularly of a small number of raw materials necessary for the Japanese war industries, on aeroplanes and on petroleum. He also asked for economic and financial assistance by the Members of the League in the development and reconstruction of the Chinese south-western provinces and for the relief of the civilian refugees, whose total was estimated in September 1938 at 30 millions. China had encountered great difficulties in arranging for the transport and transit of her raw material, and the Chinese representative expressed the view that China was entitled to facilities in this respect, not only by virtue of the previous resolutions of the Assembly and of the Council, but also by the terms of the Covenant and of the treaties to which she was a party.

In order that the measures taken by the Governments of States, whether Members of the League or non-members, should produce the maximum effect, the Chinese Government asked that the Council should take steps to institute a committee of co-ordination. If a general committee was not considered

feasible for the present, the Chinese Government would welcome a limited committee of co-ordination composed of the representatives of the Governments particularly interested in the Far East.

After this statement, the Members of the Council proceeded to exchanges of views. On January 20th, the representative of Latvia, Chairman of the Drafting Committee set up by the Council, proposed the following draft resolution :

“ The Council,

“ Referring to its report, adopted on September 30th, 1938, relating to the appeal of the Chinese Government ;

“ Recalling the resolutions adopted by the Assembly on October 6th, 1937, and by the Council on February 2nd and on May 14th, 1938 ;

“ Recalling in particular the terms of the Assembly resolution of October 6th, 1937, which expresses its moral support for China, and recommends that Members of the League should refrain from taking any action which might have the effect of weakening China's power of resistance and thus of increasing her difficulties in the present conflict, and should also consider how far they can individually extend aid to China ; and the terms of the resolution of February 2nd, 1938, which expresses the Council's confidence that those States represented on the Council for whom the situation is of special interest will lose no opportunity of examining, in consultation with other similarly interested Powers, the feasibility of any further steps which may contribute to a just settlement of the conflict in the Far East ;

“ Having heard the statement of the Chinese representative in regard to the present situation in the Far East, in which he rejected the claim of Japan to establish a new order in the Far East and outlined certain proposals of the Chinese Government ;

“ Taking note of the fact that a number of States have been taking individual action in aiding China :

“ Invites the Members of the League, particularly those directly concerned in the Far East, to examine, in consultation, should this appear appropriate, with other similarly interested Powers, the proposals made in the statement of the representative of China before the Council on January 17th, 1939, for the taking of effective measures, especially measures of aid to China.”

This resolution was adopted after a debate in which the representatives of France, New Zealand, the Union of Soviet Socialist Republics, the United Kingdom and China<sup>1</sup> took part.

<sup>1</sup> See *Official Journal*, February 1939, pages 99 *et seq.*

The latter stated that his acceptance of the resolution was subject to the reservation that the Council remain seized of his Government's appeal.

*Council's Resolution of May 27th, 1939* (Hundred-and-fifth Session).

At the Council meeting of May 22nd, 1939, the Chinese representative outlined the development of military operations in the past few months. Referring to the bombing of Chinese towns and particularly of Chungking, the Chinese war-time capital, by Japanese aircraft, he asked the Council to urge the aeroplane-manufacturing and oil-producing countries to stop furnishing Japan with such supplies. He added that the American aircraft companies had all favourably responded to the advice of the United States Government in July 1938 to refrain from selling more aeroplanes to Japan, and the export of aeroplanes from the United States to that country had stopped.

The Chinese representative also asked the Council to take steps to constitute an international committee to enquire into the cases of recourse by Japanese aircraft to the bombing of Chinese civilian populations and to submit a report to the Council with a view to the consideration and study of other necessary measures in order to stop these bombardments. Dr. Wellington Koo recalled that, in its recommendation of September 30th, 1938, relating to the protection of civilian populations against bombing from the air, the Assembly had taken note of the Chinese Government's request for the despatch of a committee and had asked the Council to take into consideration any such appeal directed to establishing, by means of an international committee, cases of the bombing of civilian populations from the air.

After mentioning the stability of the Chinese national currency, secured with the assistance of the American, British and French Governments and their banking interests, the Chinese representative recalled that, since the beginning of the conflict, he had asked the Council to recommend the Members of the League to extend financial and material aid to China for fortifying her power of resistance and for assisting her to give help and succour to her millions of refugees. He had also urged the Council to recommend the Members of the League to refrain from doing anything which might weaken China's power of resistance, to withhold from Japan the supply of instruments of war and raw materials necessary for the continuation of her

aggression, and to restrict the importation of Japanese goods and adopt other means of retaliation against Japan's deliberate violation of the treaty rights of other Powers.

The Chinese representative then again asked for the setting-up of a general committee or, if preferred, a special limited body of the Powers directly interested in the Far East for the purpose of co-ordinating the foregoing measures.

Lastly, he asked for the further implementing of the Assembly and Council resolutions already adopted with a view to extending aid to China and restraining the aggressors.

After statements by the representatives of New Zealand, the United Kingdom, France, Bolivia and the Union of Soviet Socialist Republics,<sup>1</sup> the members of the Council proceeded to exchanges of views and on May 27th adopted the following two resolutions, which the Chinese representative accepted on condition that his Government's appeal should appear on the agenda of the Council's next session :

" I

" The Council,

" 1. Referring to the resolutions and reports hitherto adopted by the Assembly and the Council relating to the appeal of the Chinese Government ;

" 2. Having heard the statement of the Chinese representative at the Council's meeting on May 22nd, 1939 ;

" 3. Continuing to view with great concern the grave situation in the Far East created by Japanese aggression ;

" 4. Renewing its expression of profound sympathy with China in her heroic struggle for the maintenance of her independence and territorial integrity threatened by the Japanese invasion, and in the suffering which is thereby inflicted on her people ;

" 5. Deeming it desirable that measures of aid to China, including relief measures and such other measures as may from time to time be found practicable, should be made as effective as possible ;

" 6. Following with interest the growing solidarity of action on the part of several States directly concerned in dealing with recent developments in the Far East ;

" 7. Noting with satisfaction that a number of States have taken certain measures in aiding China ;

" 8. Expresses the hope that such measures will be continued and that the resolutions previously adopted by the Assembly and the Council will be further implemented ;

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<sup>1</sup> See Minutes of the second (public) meeting of the hundred-and-fifth session of the Council (*Official Journal*, May-June 1939).

9. Invites the Members of the League, particularly those directly concerned in the Far East, in consultation with the Far East Advisory Committee, to examine the possibilities of the practical application of the measures above referred to.

“ II

“ The Council,

1. Having regard to the resolution of the Assembly of September 28th, 1937, solemnly condemning the aerial bombardment of open towns in China by Japanese aircraft ;

2. Taking note of the statement of the Chinese representative relating to the recent cases of ruthless attacks by Japanese aircraft on Chinese civilian populations, resulting in an appalling loss of life ;

3. Recalling the resolution adopted by the Assembly on September 30th, 1938, by which the Assembly, taking note of the Chinese Government's request for the despatch of an international committee to examine cases of the bombing from the air of civilian populations in China, recommends that the Council should take any such appeal into consideration :

4. Takes note with interest of the statement of the Chinese representative that a number of States, not all of them Members of the League, have taken steps to discourage or prevent the supply of aircraft to Japan ;

5. Invites the Governments of the States represented on the Council and on the Far East Advisory Committee having official representatives in China to inform themselves as fully as possible as to cases of bombing by Japanese aircraft of civilian populations in China and to furnish without delay to the Council information so obtained.”

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3.

WITHDRAWAL OF NON-SPANISH COMBATANTS  
SERVING WITH THE ARMED FORCES OF THE  
REPUBLICAN GOVERNMENT IN SPAIN

In September 1938, the Spanish delegation informed the Assembly of its decision to carry out the withdrawal of all the non-Spanish combatants engaged in the struggle in Spain on the side of the Republican Government, and asked it to appoint an international commission to verify on the spot the measures for withdrawal taken by that Government. This request was referred to the Council,<sup>1</sup> which subsequently appointed the Commission.<sup>2</sup>

Following a preliminary meeting at Perpignan, the Commission proceeded to Barcelona on October 16th, 1938, and made extensive investigations both behind and at the front in the Barcelona and central zones until the latter half of January 1939. Military events then obliged it to return to Perpignan, where it continued its work until February 16th. A preliminary report<sup>3</sup> submitted to the January session of the Council showed that the Commission had counted 12,673 non-Spanish combatants in the Barcelona and central zones, all of whom had been withdrawn from combatant units, and that, of these, 4,640 had left Spanish territory under the Commission's supervision. The Commission expressed its moral conviction that the withdrawal operations had been entirely completed.

In its final report, dated May 1st, 1939,<sup>4</sup> the Commission stated that virtually all the non-Spanish combatants still remaining in Spain at the date of its preliminary report had finally crossed the French border by February 10th, 1939. The total number of departures verified by the Commission amounted to 12,688. The difference between the number of volunteers counted in Spain and of those having left was greater than indicated in these totals. Thus, the former figure (12,673) included a small number of volunteers who either did not leave Spain or

<sup>1</sup> See *Official Journal*, November 1938, page 883.

<sup>2</sup> The Commission was composed of three commissioners: General B. Jalander, President (Finnish), Brigadier-General A. L. Molesworth (British) and Lieut.-Colonel E. Homo (French), who had the assistance of a certain number of other officers, as well as of a secretariat placed at the Commission's disposal by the Secretary-General of the League.

<sup>3</sup> See *Official Journal*, February 1939, pages 124-142.

<sup>4</sup> See document C.138.1939.IX.

who escaped the Commission's supervision upon leaving. The latter figure (12,688), on the other hand, included a certain number of individuals whom the Commission had deliberately not counted in Spain ; the majority of these had been considered as not falling within the terms of the plan of withdrawal (residence in Spain prior to outbreak of war ; non-military occupation ; etc.).

The Commission attached to its report a table giving by nationalities the dates of departures supervised by the Commission.

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4.

EVENTS IN CZECHO-SLOVAKIA

By a letter dated May 29th, 1939, the Government of the Union of Soviet Socialist Republics requested the Secretary-General to bring to the notice of the next Assembly the text of the following telegram from Dr. Beneš :<sup>1</sup>

Pittsburg,  
May 13th, 1939.

“ AVENOL, o  
Secretary-General,  
League of Nations,  
Geneva.

“ On March 16th, after the military invasion of Czecho-Slovakia by the Germany of to-day, I sent you a telegram of protest which I asked you to transmit to the President of the Council for appropriate action. In view of the present session of the Council of the League of Nations, I venture to renew this request, adding the following additional protest : After the German military invasion of Czecho-Slovakia and the establishment of the so-called German protectorate over Bohemia and Moravia and over Slovakia, the Hungarian Government, in breach of its previous freely-accepted undertakings, attacked with its armed forces the territory of Slovakia and Sub-Carpathian Russia, having forced the country and the local authorities, who have no means of successfully defending themselves since the mutilation of Czecho-Slovakia, to allow the entire territory of Sub-Carpathian Russia and part of Eastern Slovakia to be occupied.

“ Since the fundamental Articles of the Covenant of the League of Nations and the recognised general principles of international law have been thus infamously violated ; since the Council of the League of Nations was entrusted by the special treaty which guaranteed the local autonomy of Sub-Carpathian Russia within the structure of the Czecho-Slovak Republic, with the duty of ensuring the maintenance of that guarantee, a right and an obligation which the Council of the League of Nations conscientiously and successfully enforced and discharged for twenty years ; since consequently not only the rights of the Czecho-Slovak Republic and the Carpatho-Russian people but also the rights and duties of the Council of the League of Nations have been illegally destroyed, and such violence cannot be tolerated by any Member of the League of Nations without inflicting a fresh humiliation upon it and involving a violent attack on its existence : I respectfully

<sup>1</sup> Document A. 15.1939.VII.



appeal, as former President of the Czecho-Slovak Republic, to the President of the Council not to ignore this fresh crime against international law, but to submit the question to the Council for appropriate action in virtue of the Articles of the Covenant that have thus been violated.

• “ I would add that, though she still maintains her legal existence, Czecho-Slovakia is temporarily unable, suffering as she does from a regime of oppression and violence, to appear at Geneva in the full exercise of her rights. The former President of the Republic, who, on behalf of Czecho-Slovakia, worked devotedly for seventeen years at the League of Nations for the maintenance and consolidation of international peace, and who was elected President of the Assembly and, on several occasions, President of the Council of the League, will, I trust, be permitted to make this appeal to the Council and to invoke, not only the imprescriptible rights of Czecho-Slovakia and the Carpatho-Russian people, but also the duties and rights of the League of Nations.

Edouard BENEŠ,  
*Professor at the University of Chicago.*”

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5.

EVENTS IN ALBANIA

At the opening of the hundred-and-fifth session of the Council on May 22nd, 1939, the Secretary-General informed the Council of various communications which had been addressed to him on the subject of Albania.<sup>1</sup>

In the first place, on April 12th, he had received a letter dated April 8th from the Albanian Chargé d'affaires in Paris requesting "the immediate meeting of the Council to decide with regard to the aid to be given to Albania in the present violation of her independence and the integrity of her territory". In his reply, the Secretary-General had explained why he was unable to regard this letter from the Chargé d'affaires in Paris as constituting an appeal under the Covenant. This correspondence had been immediately communicated to the representatives of the Members of the Council for their information.

On April 13th, he had received from Tirana a communication from the "Albanian Government set up by the Constituent Assembly" announcing Albania's withdrawal from the League of Nations. The Secretary-General had replied that, not being competent to decide as to the validity of the communication, he was transmitting it, together with his reply, to the Members of the League for their information.<sup>2</sup>

Lastly, the Secretary-General informed the Council that, on May 13th, he had received a letter dated April 9th and signed "Zog I, King of Albania". The King protested against "violence on the part of Italy" and against "the disappearance of the independence of Albania, a Member of the League of Nations". He requested the Secretary-General to bring these facts to the knowledge of the Members of the League, at the same time inviting them not to recognise the state of things thus created and to take steps for the re-establishment of the Albanian people in the possession of its former rights.

After a discussion, the Council adopted the proposal made by its President, the representative of the Union of Soviet Socialist Republics, to refer this correspondence to the Assembly.<sup>1</sup>

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<sup>1</sup> See extract from the Minutes of the first meeting (private) of the hundred-and-fifth session of the Council (*Official Journal*, May-June 1939), reproduced in document A.14. 1939, VII.

<sup>2</sup> See *Official Journal*, March-April 1939, page 206.

6.

PROTECTION OF CIVILIAN POPULATIONS AGAINST  
BOMBING FROM THE AIR IN CASE OF WAR

At the request of two Governments, the question of the protection of civilian populations against bombing from the air in case of war was considered by the Assembly at its eighteenth ordinary session. The Assembly first examined certain principles concerning the illegality of intentional bombing of civilian populations and of the use of chemical and bacterial methods in the conduct of warfare. In this connection, it recommended<sup>1</sup> that the Council should first arrange with the United Kingdom Government that the Committee of Investigation at that time operating in respect of certain air bombardments in Spain should send copies of its reports to the Secretary-General for circulation to States Members, publication and submission to the Council and, secondly, should take into account any other appeal directed to establishing, by means of an international committee, cases of recourcé to the illegal practices in question.

The United Kingdom Government having informed the Council, at its meeting of September 30th, 1938, that it was prepared to communicate to the Secretary-General copies of the reports which it might receive from time to time from the Committee of Investigation mentioned above, two series of these reports (not including the series which was communicated to the Assembly in September)<sup>2</sup> were subsequently received and communicated by the Secretary-General to the Members of the League and to the Council.<sup>3</sup>

The Council, at its meeting of January 20th, 1939, took note of the facts related in these reports and condemned recourse to methods which were contrary to the conscience of mankind and to the principles of international law.<sup>4</sup>

As regards the possible appointment by the Council of commissions of investigation, see Chapter 2 of the present report (page 15).

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<sup>1</sup> See *Official Journal*, Special Supplement No. 186, pages 48-49.

<sup>2</sup> *Ibid.*, pages 38-44.

<sup>3</sup> See *Official Journal*, January 1939, pages 28-34.

<sup>4</sup> See *Official Journal*, February 1939, pages 96-97.

7.

FREE CITY OF DANZIG

The Council Committee appointed on July 4th, 1936, to follow the situation in the Free City of Danzig, and consisting of the representatives on the Council of the United Kingdom (Rapporteur), France and Sweden,<sup>1</sup> held several meetings at the time of the Council's sessions during the period under review.

At the Council's session last January, the Committee examined the situation in the Free City in the light of a statement by the High Commissioner at Danzig. The latter drew the Committee's attention to decrees recently enacted by the Senate containing certain important provisions which were considered by the Committee to be contrary to the Constitution of the Free City.

In order to permit of a complete study of all the aspects of a situation which raised the question of the League's obligations with regard to the guarantee of the Constitution and the High Commissioner's duties, the Committee considered it necessary to postpone a final examination of the situation and to study developments at a later meeting.

Meanwhile, the High Commissioner, who was on ordinary leave in January, remained at the disposal of the Committee of Three.

During the Council's May session, the Committee of Three held a meeting and decided to ask the High Commissioner to return to Danzig for the purpose of making a report.

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<sup>1</sup> See *Report on the Work of the League, 1937/38, Part I, page 38.*

CONVENTION OF 1921 REGARDING THE  
NON-FORTIFICATION AND NEUTRALISATION OF THE  
ÅLAND ISLANDS : MEASURES PROPOSED BY THE  
FINNISH AND SWEDISH GOVERNMENTS

This question was examined by the Council at its hundred-and-fifth session.

The documents communicated by the Finnish and Swedish Governments<sup>1</sup> showed that, at the former's request, these two Governments had jointly examined the problems relating to the security of the Åland Islands, a neutralised Finnish territory. "The weakening of the security system of the League of Nations and the political and military difficulties at present standing in the way of the application of the guarantee system provided in the 1921 Convention"<sup>2</sup> had led the two Governments to conclude a preliminary agreement on the following solution : division of the archipelago, as delimited in the Convention, into two zones situated respectively to the south and north of latitude 59° 58' 1"; in the southern zone, final abandonment of the international demilitarisation provisions in so far as they affect Finland's freedom of action; in the northern zone, certain temporary relaxations (for a period of ten years) in the said system of demilitarisation. The two Governments proposed that these relaxations should be authorised in virtue of Article 7, paragraph 1, of the 1921 Convention.

In January 1939, the two Governments asked the Governments of the other Powers signatory to the Convention to inform them whether they approved the preliminary provisions agreed upon between Finland and Sweden.

At the same time they communicated these provisions to the Government of the Union of Soviet Socialist Republics, Member of the Council of the League of Nations, asking it to lend its assistance in regard to their adoption.

Having received replies from all the other States signatories of the 1921 Convention, the two Governments asked the Council

<sup>1</sup> See document C.142.M.91.1939.VII (*Official Journal*, May-June 1939).

<sup>2</sup> The Convention for the Non-fortification and Neutralisation of the Åland Islands was signed at Geneva on October 20th, 1921, by Germany, Denmark, Estonia, Finland, France, the British Empire, Italy, Latvia, Poland and Sweden (*Treaty Series*, Vol. IX, pages 212 and following).

to give its assent to the measures proposed by them in so far as they were within its competence.

At its meeting of May 22nd, the Council heard statements by the representatives of Finland and Sweden on this question, and speeches were made by the representatives of Latvia, Poland and New Zealand.<sup>1</sup>

On May 27th, M. Bourquin, representative of Belgium, who had been appointed rapporteur, submitted to the Council the following report :

1. By a communication to the Secretary-General, dated May 10th, 1939, the Finnish and Swedish Governments asked that the following question should be placed on the agenda of the present session of the Council :

*Convention of 1921 for the Non-fortification and Neutralisation of the Åland Islands : Measures proposed by the Finnish and Swedish Governments.*

2. Attached to this communication was the correspondence between the above-named Governments and those of the other States signatories of the Convention, together with a note addressed to the Government of the Union of Soviet Socialist Republics.

3. It is to be observed that the measures proposed by the Finnish and Swedish Governments in no way affect the guarantees established for the benefit of the population of the islands, over the application of which the Council has undertaken to watch (resolutions of June 24th and 27th, 1921).

4. Furthermore, so far as concerns the Convention for the non-fortification and neutralisation of the archipelago, the Council merely accepted, at the invitation of the signatory States, certain functions defined in Article 7 (resolution of January 11th, 1922), in which article no change is made.

5. It appears from the correspondence between the signatory States that a general agreement has been reached among them on the application of the measures proposed by the Finnish and Swedish Governments.

6. The delegate of the Union of Soviet Socialist Republics proposed that the question should be held over, as his Government does not consider itself to be as yet in possession of all the information necessary to determine its attitude to a question which is of special concern to the Union of Soviet Socialist Republics as a Baltic Power in view of the geographical position of the Åland Islands.

<sup>1</sup> See Minutes of the second (public) meeting of the hundred-and-fifth session of the Council (*Official Journal*, May-June 1939). The Council included Finland, Denmark and Poland, in addition to its ordinary Members, for the examination of this question. On May 15th, 1939, the Secretary-General had invited the States signatories of the 1921 Convention (whether Members of the League of Nations or not) which were not represented on the Council to inform him of the names of their delegates should they desire to be represented. Denmark and Poland respectively appointed M. Borberg and M. Komarnicki, who were invited to sit at the Council table.

• It was pointed out that, if the Council merely placed on record the facts set forth above, that attitude would be in no way compromised.

• After this report had been read, statements were made by the representatives of Finland, Sweden, the Union of Soviet Socialist Republics, France, the United Kingdom and Denmark, which, like the said report, are reproduced in the Minutes of the meeting.<sup>1</sup>

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<sup>1</sup> See Minutes of the fifth meeting of the hundred-and-fifth session of the Council (*Official Journal*, May-June 1939).

9.

SETTLEMENT OF THE ASSYRIANS OF IRAQ

In September 1938, the Council Committee for the Settlement of the Assyrians of Iraq<sup>1</sup> adopted the 1939 budget for the Settlement in Syria. Owing to a number of anticipated savings, total expenditure was estimated at £6,977, as against £12,113 in 1938. The Committee considered that the special administration of the Settlement should be discontinued as soon as the execution of the reorganisation plan permitted, but did not fix any date for the purpose.

The Committee felt it might be essential to maintain a form of supervision over the Settlement for some time to come. It realised the necessity of arranging for a period of transition to enable the Assyrians to adjust themselves to their new conditions of life before being emancipated from all guardianship.

The Committee's task has since been confined to following the execution of the plan for the reorganisation of the Settlement approved by the Council of the League of Nations in 1937. The Trustee Board has regularly kept it acquainted with the progress made. Despite the various obstacles encountered in the execution of the work owing to the amplitude of the plan, the results so far attained have proved entirely satisfactory.

<sup>2</sup> The purchase of a large estate provided for in the reorganisation plan has permitted the construction of new villages and the displacement to the south of the villages situated farthest north. In the spring of 1939, 189 huts and houses were built in twelve villages. All the newly-purchased land will be fully cultivated this year. The surface sown with wheat and barley, which totalled 1,047 hectares in 1938, amounted to 1,858 hectares at the beginning of 1939.

<sup>3</sup> The quarterly reports of the Trustee Boards<sup>2</sup> show that both the material conditions and the state of health of the Khabur Settlement showed considerable improvement.

The flocks have remained in good condition. The total live stock, according to a census made in January-February 1939, amounted to 28,233 head (against 11,937 at the beginning of

<sup>1</sup> See *Report on the Work of the League 1937/38*, Part I, page 33.

<sup>2</sup> Recent reports from the Trustee Board are published in the *Official Journal* (January 1939, pages 36 to 38; March-April 1939, pages 223 to 225).



1938). This figure includes the animals distributed in 1938 (400 oxen and 4,000 ewes).

The Settlement hospital was enlarged in 1938. The system of individual record cards introduced by the Health Service showed that 80% of the Assyrians in the Khabur were examined in 1937/38.

Malaria has continued to diminish. There were 431 cases in 1938, as against 566 in 1937.

The statistics of births and deaths in 1938 were as follows : 471 births and 187 deaths (in 1937, 336 births and 223 deaths). The total number of inhabitants of the Settlement, according to the census of August 1938, was 8,838 persons, living in 2,318 homes.

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In accordance with the Council's resolution of September 29th, 1937, the Government of Iraq sent to the Secretary-General, in September 1938, a report on the economic situation of the Assyrians in the northern provinces of Iraq.<sup>1</sup>

In a letter to the Secretary-General dealing with this report,<sup>2</sup> the Minister for Foreign Affairs of Iraq observed that the general economic condition of those Assyrians was for the most part superior to that of their neighbours and was, on the whole, satisfactory.

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<sup>1</sup> See *Official Journal*, December 1938, page 1151.

<sup>2</sup> *Ibid.*, page 1170.

10.

CONVENTION RELATING TO THE REGIME  
OF THE STRAITS

(Signed at Montreux on July 20th, 1936).

In accordance with Article 24 of the Montreux Convention, the Turkish Government forwarded to the Secretary-General its second annual report giving details regarding the movements of vessels through the Straits and of civil aircraft between the Mediterranean and the Black Sea, and furnishing all information which may be of service to commerce and navigation, both by sea and by air, for which provision is made in that Convention. The Secretary-General communicated this report to the Council and Members of the League of Nations and to the technical organs of the League interested in this information.<sup>1</sup>

The Turkish Government regularly forwarded to the Secretary-General the information provided for in Article 18, paragraph 1(b), of the Montreux Convention on the total tonnage of the respective fleets of the littoral Powers in the Black Sea. The Secretary-General acquainted the Members of the League of Nations with these communications through the *Official Journal*.<sup>2</sup>

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<sup>1</sup> See *Official Journal*, March-April 1939, page 222.

<sup>2</sup> See *Official Journal*, August-September 1938, page 672, and January 1939, page 35.

11.

REDUCTION AND LIMITATION OF ARMAMENTS

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I. NATIONAL SUPERVISION OF THE MANUFACTURE OF AND TRADE IN ARMS, AMMUNITION AND IMPLEMENTS OF WAR

On September 30th, 1938, the Assembly requested those Governments which had not already done so to give effect to its recommendation of the preceding year that the Members of the League should examine the possibility of adopting internal measures with a view to the effective supervision of the manufacture of and trade in arms, ammunition and implements of war, on the basis of the work done by the Special Committee of the Conference for the Reduction and Limitation of Armaments ; it also requested the Members of the League of Nations to communicate to the Secretary-General regularly any changes made in this connection in their legislation or administrative methods.<sup>1</sup>

Replies have been received from three countries—China, Finland and Portugal.<sup>2</sup> These bring the total number of replies, including those occasioned by the Assembly's recommendation of the previous year, to twenty-eight.<sup>3</sup>

II. CONFERENCE FOR THE REDUCTION AND LIMITATION OF ARMAMENTS : DATE OF THE NEXT MEETING OF THE BUREAU

The meeting of the Bureau of the Conference for the Reduction and Limitation of Armaments was to have taken place during the nineteenth ordinary session of the Assembly, but, owing to the political situation, it was postponed by the Council, on September 30th, 1938,<sup>4</sup> until a more propitious date.

III. PUBLICATIONS EDITED BY THE SECRETARIAT

The fourteenth edition of the *Armaments Year-book* was published in January 1939.

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<sup>1</sup> See *Official Journal*, Special Supplement No. 186, pages 47-48.

<sup>2</sup> Reproduced in document Conf.D.199.

<sup>3</sup> See documents Conf.D.183, 183 (a), (b) and (c).

<sup>4</sup> See *Official Journal*, November 1938, page 876.

The fifteenth edition, now in preparation, will be published towards the end of 1939. It will contain monographs on over sixty countries, Members of the League and non-member States, and will be prepared on the basis of official documents (official military bulletins, laws, decrees, budgets, statistical year-books, etc.), and of information supplied by certain Governments concerning the state of their armaments.

The fourteenth edition of the *Statistical Year-book of the Trade in Arms and Ammunition* was published in October 1938; the fifteenth edition will appear towards the end of 1939. It will contain information regarding about sixty countries and over sixty colonies, protectorates and mandated territories, compiled from official documents.

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12.

PROTECTION OF MINORITIES

During the year from June 1st, 1938, to May 31st, 1939, four minority petitions were received, of which one was declared to be receivable and three to be non-receivable, in virtue of the Council resolution of September 5th, 1923.

The Committees appointed to consider these petitions as well as those received in previous years the examination of which had not been completed, held sixteen meetings during the period in question. The examination of five petitions was completed during the year.<sup>1</sup> No petition was submitted to the Council during the period under review.

The number of petitions at present under examination by Minorities Committees is eleven.

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<sup>1</sup> See annual statistics published in the *Official Journal* of July-August 1939.

## 13.

### MANDATES

#### I. PROCEEDINGS OF THE COUNCIL CONCERNING THE WORK OF THE PERMANENT MANDATES COMMISSION<sup>1</sup> AT ITS THIRTY-FOURTH SESSION<sup>2</sup>

On September 17th, 1938, the Council examined the documents concerning the work of the thirty-fourth session of the Mandates Commission, together with a report on the subject by the representative of Roumania.<sup>3</sup>

##### A. *Observations on the Administration of the Territories under Mandate.*

The Council decided to communicate in each case to the Government of the mandatory Power concerned the Commission's observations on the administration of the territories the mandatory Powers' annual reports on which it had examined,<sup>4</sup> and to request it to take the action desired by the Commission.

In one of its general observations to the Council on *Palesline*. The Mandates Commission expressed the hope that the period that elapsed before a final decision was reached as to the future status of the territory would be made as short as possible, as all the interests involved could not but suffer from the continuance

<sup>1</sup> M. Sakenobe, the Japanese member of the Mandates Commission, resigned on November 3rd, 1938. The Council also took note on May 23rd, 1939, of the resignation of Lord Hailey, the United Kingdom member of the Commission, and appointed Lord Hankey as his successor.

<sup>2</sup> On January 17th, 1939, the Secretary-General drew the Council's attention to the problem raised by the present strength of the Mandates Commission, and particularly to the difficulty which it might experience, since the resignation of the German, Italian and Japanese members, in obtaining the necessary quorum. The Council requested its Rapporteur on mandates questions to study the problem in conjunction with the Secretary-General and, pending their findings, decided that, to obviate to some extent the drawbacks of the present situation, five members should constitute a quorum, the Commission's Rules of Procedure notwithstanding.

<sup>3</sup> On May 23rd, 1939, the Rapporteur having asked to be allowed to submit his suggestions at a later session, the Council decided that, should any difficulty arise meanwhile in connection with the composition of the Commission, the President of the Council, in conjunction with the Rapporteur and the Secretary-General, should take such temporary measures as would seem appropriate in the circumstances.

<sup>4</sup> For a summary of the work of the Mandates Commission at its thirty-fourth session, see document A.6(a), 1938, pages 10-15.

<sup>5</sup> See *Official Journal*, November 1938, pages 846 et seq.

<sup>6</sup> *Palesline and Trans-Jordan*, 1937; *Tanganyika*, 1937; *Togoland under French mandate*, 1937; *South West Africa*, 1937; *New Guinea*, 1936/37; *Nauru*, 1937. These reports may be consulted in the League of Nations Library.

of the existing state of uncertainty. In this connection, the United Kingdom representative informed the Council that his Government was fully alive to the disadvantages of this uncertainty, and that it would do all in its power to expedite its decision with regard to the future status of Palestine in the light of the report of the Commission appointed to examine the possibilities of partition.<sup>1</sup>

The Commission's observations with regard to Jewish immigration gave rise to statements by the United Kingdom representative and the representative of the Commission. The representatives of Iran, Poland and Roumania took the opportunity of signifying their Governments' interest in the problem.

### B. *Petitions.*

The Council approved the Commission's conclusions on a number of petitions concerning Palestine, Syria and Lebanon, Tanganyika and Togoland under British mandate, and decided to bring them to the notice of both the mandatory Powers and the petitioners concerned.

## II. WORK OF THE PERMANENT MANDATES COMMISSION AT ITS THIRTY-FIFTH SESSION (OCTOBER-NOVEMBER 1938) AND DECISIONS TAKEN BY THE COUNCIL ON JANUARY 17TH, 1939

### A. *Observations on the Administration of the Territories under Mandate.*

The Commission made a number of observations on the administration of the territories with which it dealt at its thirty-fifth session.<sup>2</sup>

#### Territories under A Mandate.

##### *Syria and Lebanon (1937).*

In 1937, the Commission had noted<sup>3</sup> that the evolution of the mandate had entered its final phase and that it was the mandatory Power's belief that the two States should be able to give proof of their fitness for self-government during the period of three years beginning on January 1st, 1937. The Commission

<sup>1</sup> This Commission reported in October 1938. The report has been communicated to Members of the League (document C.492.M.334.1938.VI) (Cmd. 5854).

<sup>2</sup> Syria and Lebanon, 1937; Cameroons under British mandate, 1937; Cameroons under French mandate, 1937; Ruanda-Urundi, 1937; Togoland under British mandate, 1937; Islands under Japanese mandate, 1937; Western Samoa, 1937/38. These reports may be consulted in the League of Nations Library.

<sup>3</sup> See document A.6.1938, pages 53-54.

added on that occasion that it would closely watch the progress of this experiment, so that in due course it might be able to give an opinion to the Council on the political maturity of these States. It expressed the hope—with which the Council associated itself—that the results of the experiment would prove conclusive.

At its thirty-fifth session, the Commission endeavoured to form an opinion of the progress made by Syria and Lebanon, now that the major part of the period of three years had elapsed. It first endeavoured to ascertain the degree of autonomy already enjoyed by the Syrian and Lebanese authorities owing to the relaxation of the mandatory Power's control.

The Commission then reviewed the problems raised by the policy of centralisation and the imperious tendencies of the Syrian Government, and the opposition which such tendencies encountered in several parts of the country—Jebel Druze, Latakia, Upper Jezireh. Having thus been led to entertain doubts as to the future of a policy which might prove contrary to the wishes of the minorities in these regions, the Commission drew attention to the danger involved in setting up an over-centralised system, while not overlooking the perils which would result from a lack of authority in the central power.

The Commission then set out a series of findings. As regards freedom of conscience, it noted in particular that, while, in Lebanon, the various denominations were on a footing of equality as regards religious conversions, it was impossible, in Syria, for Moslems converted to any other religion to give due legal effect to their change of religion. In the Commission's opinion, the attitude thus taken up by the Syrian authorities was not in accordance either with the letter or with the spirit of the provisions of the mandate, specified in certain articles of the Syrian Constitution to which the Syrian Government had promised to give full effect.

The Commission also noted that, both in Syria and Lebanon, very severe action had been taken against the opposition, that the freedom of the Press was only very limited, and that, notwithstanding the progress made, the judicial organisation still left something to be desired. It drew special attention to the importance of the existence of a judicial system affording all the guarantees necessary to ensure equal and regular justice. Lastly, as regards Customs, it noted that Syria and Lebanon seemed to have entered upon a rivalry closely verging on a tariff war.



The Commission also noted that negotiations were then in progress between the French and Syrian Governments regarding, in particular, the guarantees to be given as regards freedom of conscience, the personal status of minority communities and guarantees for the application of the system of decentralisation, as well as regarding the scope of the duties to be performed by French officials and the military arrangements under the treaty regime.

Lastly, as regards Alexandretta, the Commission noted the statement of the representative of the mandatory Power that the problem of the Sanjak "has been dominated by far-reaching necessities and considerations of an international character", and that "there have been developments in this connection which have changed the whole aspect of the question. The circumstances and consequences of those developments are still a matter for the Council of the League of Nations." Such being the case, the Commission thought it proper to postpone until a later date its examination of the administration of that part of the territory after November 29th, 1937, which was the date fixed for the entry into force of the Council's decisions of May 29th, 1937.

#### **Territories under B Mandate.**

##### *Cameroons and Togoland under British Mandate (1937).*

The Commission noted, more especially, the progress made as regards education in the two territories. As regards the Cameroons, it asked for particulars as to the use of revenue in certain districts.

Furthermore, the Commission noted the mandatory Power's efforts in Togoland to promote the moral and political education of the native population, and asked for information on the steps taken to remedy the shortage of teachers. It expressed the hope that certain measures might be taken with a view to more intensive action against sleeping-sickness.

In an observation common to the Cameroons under British mandate and the Cameroons under French mandate, the Commission asked for particulars about the instructions given to the Commission for the demarcation of the frontier between these two territories in respect of the safeguarding of the interests of the tribes inhabiting the frontier regions.

*Cameroons under French Mandate (1937).*

The Commission noted with interest the temporary suspension of the grant of any further agricultural concessions, and expressed the hope that it would be confirmed that this measure was evidence of the mandatory Power's intention to pursue a policy of protecting and developing the native peasantry. It was, moreover, glad to learn of the steps already taken by the mandatory Power in deference to the concern expressed by the Commission regarding the safeguarding of native property.

*Ruanda-Urundi (1937).*

The traditional authorities are still kept under close supervision, and the administration of the native treasury is reserved to the European authority. The Commission expressed the hope that the evolution of the native mentality and the process of selection applied to the chiefs would make it possible to convert them gradually with the real authority required by their functions. The Commission also noted the improvement in the financial position and the development of economic and commercial relations between Ruanda-Urundi and the Belgian Congo, and the advantages accruing to the territory from its free access to the markets of the neighbouring colony.

**Territories under C Mandate.**

*Islands under Japanese Mandate (1937).*

The Japanese Government sent in as usual its report for 1937 on the administration of the islands under its mandate. As in the past, it also accredited a representative for the examination of the report. In consequence, however, of its decision to discontinue its co-operation with the organs of the League, it subsequently announced that the authority previously conferred on its representative had been withdrawn.

Having reviewed the texts applicable to the case, and considering that, under Article 22 of the Covenant, it was under an obligation to examine the annual reports of the mandatory Powers, the Commission decided to examine the Japanese Government's report and submit its observations thereon to the Council, notwithstanding the absence of any representative of the mandatory Power. The Commission's observations include requests for information on the powers of the village

chiefs and chiefs of police stations, the question of the application in the mandated territory of the National Mobilisation Law promulgated in Japan in 1938, public finance, health, land tenure and the decline in the native population in certain islands.

• *Western Samoa (1937/38).*

The Commission noted with interest the mandatory Power's intention gradually to increase the number of natives admitted to the various posts in the administration of the territory. It also formulated observations concerning general administration, education and public health.

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B. *Petitions.*

The Commission examined several petitions concerning Syria and Lebanon, none of which called for any special recommendations to the Council. Nevertheless, in its conclusions on certain of these petitions relating to the status of the region of Latakia and of the Jezireh respectively and to the freedom of the Press, the Commission referred to the passages dealing with these questions in its general observations.

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On January 17th, 1939, the Council decided that, in every case, the Mandates Commission's observations should be communicated to the Government of the mandatory Power concerned, with a request for the action asked for by the Commission.

In the special case of the Islands under Japanese Mandate, the Secretary-General was also instructed to draw the mandatory Power's attention to the Minutes of the Commission's discussions, in order that due account might be taken of the points on which, owing to the absence of an accredited representative, the Commission could obtain no information.

The Council approved the Commission's conclusions with regard to the petitions examined, and decided that they should be communicated to the mandatory Power and the petitioners concerned.

The representative of France, after associating himself with the Commission's conclusions, referred to the complex and delicate circumstances in which his Government was endeavouring to define the status of its relations with Syria. Important events had occurred which had undoubtedly influenced the

course of the negotiations in which the two parties were engaged, while the recent installation of the new High Commissioner rendered a period of reflection essential. France earnestly desired to settle the Syrian problem as promptly as possible, and was as fully aware as ever of the obligations she had assumed. Her attitude would continue to be inspired by the desire to maintain peace and order in that part of the Near East. <sup>1</sup>

Although *Palestine* was not included in the Mandates Commission's report, the United Kingdom representative thought it appropriate to inform the Council of the situation in that territory. He explained that, after a careful study of the report<sup>1</sup> of the Commission appointed to examine conditions on the spot with a view to devising an equitable and practicable scheme of partition, his Government had reached the conclusion that the difficulties involved in the proposal to create independent Arab and Jewish States inside Palestine were so great that that solution of the problem was impracticable and must be abandoned. It had therefore determined to continue its responsibility for the government of the whole of Palestine. At the same time, in order to find a solution based on agreement with the Arabs and Jews such as would afford an alternative means of meeting the needs of the difficult situation which had arisen in Palestine, his Government had invited representatives of the Palestine Arabs and of neighbouring Arab States on the one hand, and of the Jewish Agency, on the other, to confer with it in London. The United Kingdom representative added that, if these discussions should not produce agreement within a reasonable period of time, his Government would take its own decision in the light of its examination of the problem and of the discussions in London, and would announce the policy which it proposed to pursue.<sup>2</sup>

<sup>1</sup> See document C.492.M.334.1938.VI (Cmd. 5854).

<sup>2</sup> In response to the desire expressed by the United Kingdom representative, the Council—while entirely reserving, as it had done on September 16th, 1937, its opinion and its decision on the substance of the question—decided that the Mandates Commission should, if necessary, be convened in extraordinary session before the Council's session of May 1939, to examine the mandatory Power's proposals, including any recommendations for the modification of the mandate.

No such extraordinary session of the Mandates Commission was, however, required. At the Council meeting of May 22nd last, the representative of the United Kingdom informed the Council that the States Members of the League would shortly be in possession of the official White Paper issued by His Majesty's Government containing its statement of policy regarding Palestine. After reviewing recent developments, he stated that the White Paper had just been laid before Parliament in London and that it would therefore be premature to discuss it; he added that the States Members of the League would no doubt wish to study the document in due course.

The representative of Latvia, Rapporteur, stated that the Council would no doubt be called upon to deal with the question at a later session, and that the Mandates Commission, which was to meet in ordinary session in June 1939, would have an opportunity of examining the recent decisions of the mandatory Power. The Council took note of the declarations made.

The Chinese representative, reverting to the question of the Japanese Mobilisation Law of May 1938, to which he had already referred at the previous session, and which, according to his information, also applied to the Islands under Japanese Mandate, said that he was glad to note that the point was expressly mentioned in the report of the Commission, although the latter had been unable to examine it owing to the absence of the mandatory Power's representative. He reserved his Government's right to bring the point before the Council again on another occasion, should the mandatory Power's reply not be satisfactory.

### III. WORK OF THE PERMANENT MANDATES COMMISSION AT ITS THIRTY-SIXTH SESSION (JUNE 1939)<sup>1</sup>

The Commission examined, during this session, annual reports on the administration of the following territories : Palestine and Trans-Jordan (1938) ; Syria and Lebanon (1938) ; Togoland under French Mandate (1938) ; South West Africa (1938) ; New Guinea (1937/38) ; Nauru (1938). It also examined a number of petitions relating to Palestine and to Syria and Lebanon.

In addition, in pursuance of the Council's deliberations of January 17th and May 22nd, 1939, the Commission examined the policy laid down by the United Kingdom Government in the document entitled " Palestine : Statement of Policy ", issued in May 1939.<sup>2</sup>

The Commission's report on the work of its thirty-sixth session will be submitted to the Council at its session in September 1939.<sup>3</sup>

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<sup>1</sup> See document C.170.M.100.1939.VI.

<sup>2</sup> See document C.163.M.96.1939.VI.

<sup>3</sup> *Principal reference documents* : Minutes of the hundred-and-second session of the Council, third meeting (September 17th, 1938), *Official Journal*, November 1938, pages 846-851 ; Minutes of the Thirty-fourth Session of the Permanent Mandates Commission (document C.216.M.119.1938.VI) ; Minutes of the hundred-and-fourth session of the Council, third meeting (January 17th, 1939), *Official Journal*, February 1939, pages 72-83 ; Minutes of the Thirty-fifth Session of the Permanent Mandates Commission (document C.418.M.262.1938.VI) ; Minutes of the hundred-and-fifth session of the Council, second and third meetings (May 22nd and 23rd, 1939) ; Minutes of the thirty-sixth session of the Permanent Mandates Commission (document C.170.M.100.1939.VI).

14.

COLLABORATION BETWEEN THE LEAGUE OF NATIONS  
AND NON-MEMBER STATES

On September 30th, 1938, the Assembly adopted a resolution regarding collaboration between the League of Nations and non-member States.

In this resolution, the Assembly recalled and confirmed that it had been the consistent policy of the League to invite the collaboration of non-member States in its technical work. It expressed the view, moreover, that any comment or suggestion for the wider development of such collaboration would be welcomed by the Members of the League represented at the Assembly.

The Assembly requested the Secretary-General to transmit this resolution to the non-member States.

In reply to the communication made to him in this connection, the Secretary of State of the United States of America sent to the Secretary-General, on February 2nd, 1939, a note<sup>1</sup> in which he stated that :

“ The United States Government notes with interest the Assembly's reaffirmation of the policy of the League to invite the collaboration of non-member States in its technical and non-political activities. It shares the Assembly's satisfaction that such collaboration has steadily increased and the Assembly's belief that it is in the universal interest that such collaboration be continued and further developed.

“ The growing complexity of the modern world has for many years made increasingly clear the need for intelligent co-ordination of various activities, and the pooling of information and experience in many fields. The International Postal Union, the International Institute of Agriculture, the International Office of Public Health, and other international organisations, were created to meet this need in specific fields before the creation of the League and continue to carry out their tasks. The League, however, has been responsible for the development of mutual exchange and discussion of ideas and methods to a greater extent and in more fields of humanitarian and scientific endeavour than any other organisation in history. The United States Government is keenly aware of the value of this type of general interchange and desires to see it extended.

<sup>1</sup> See document C.77.M.37.1939.VII (*Official Journal*, March-April 1939, page 216).

“Encouraging as has been the progress already made, much remains to be done for the promotion of human welfare in health, social, economic and financial fields. This Government regards each sound step forward in these fields as a step toward the establishment of that national and international order which it believes is essential to real peace.”

“The United States Government looks forward to the development and expansion of the League’s machinery for dealing with the problems in those fields and to the participation by all nations in active efforts to solve them. It would not be appropriate for it to make specific suggestions for the development of the League’s activities, but it will follow with interest the League’s efforts to meet more adequately problems relating to the health, humanitarian and economic phases of human activities. It will continue to collaborate in those activities and will consider in a sympathetic spirit means of making its collaboration more effective.”

At a private meeting of the Council on May 23rd, 1939, the Secretary-General suggested that the dialogue so happily inaugurated by the Assembly resolution should not be discontinued. He thought it would be useful to study appropriate measures of organisation to enable the proposed collaboration to be made more effective, to ensure the development and expansion of the League’s machinery for dealing with technical problems, and to promote the active participation of all nations in the efforts made to solve those problems.

He thought that, if action was to be speedy and effective, the best way would be to set up a very small committee of persons qualified by their experience of the League of Nations and to ask it to submit a report in September.

The United Kingdom representative said that his Government attached great importance to the collaboration of non-member States and had been extremely gratified at the response made to the Assembly resolution by the United States of America.

The representatives of China and Peru also expressed satisfaction at the United States Government’s reply.

At a private meeting on May 27th, the Council adopted the Secretary-General’s proposal that the Committee he had suggested should consist of from five to seven members, to be appointed by Mr. Bruce, Chairman of the Committee for the Co-ordination of Economic and Financial Questions, in consultation with the Secretary-General. The Council further invited Mr. Bruce to act as Chairman of the Committee.

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15.

ECONOMIC AND FINANCIAL QUESTIONS

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I. INTRODUCTION

Before enumerating the various activities of the Economic and Financial Organisation during the year, it may be useful to devote a few opening remarks to placing these activities in their right setting and indicating their scope and significance.

Concerted international action, which was for long one of the objects which the Organisation attempted—not without success—to attain, is not at the moment likely to yield successful results.

But although this door is temporarily closed, other doors, through which the efforts of the various departments of the Economic and Financial Organisation of the League can be made effective, are still open.

The economic life of the nations is growing in complexity. The modern world is faced with the difficult task of employing effectively the resources opened up by scientific discoveries to increase the general material well-being. As the Second Committee stated in last year's report to the Assembly :<sup>1</sup>

“ The bridging of the gap between what can be produced and consumed and what is being produced and consumed is the fundamental economic problem of our times, and one to which the League is very rightly paying special attention.”

No country can remain unaffected by this trend of human endeavour. Even where the doctrine of autarky is impressing itself more and more upon the national economic system, authoritative opinions have been voiced, sometimes in dramatic form, as to the absolute necessity of participating in the international circulation of wealth which is created by the ordered movement of commodities, capital and labour.

The Economic and Financial Organisation of the League renders the services expected of it in present circumstances by examining, in its traditional spirit of impartiality and desire

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<sup>1</sup> Document A.64.1933.II.B.



for practical achievement, definite problems chosen from among those of current interest. The lessons of experience learned by various nations or categories of people are thus made available and presented in the form of recommendations or otherwise so that statesmen or Government departments can utilise them. The spread of practical knowledge is thus brought about in a form which is at once flexible and effective and is calculated gradually to harmonise to some extent the policies of the various Governments.

It is not difficult to find tendencies in the policies of Governments which are traceable to the work of the Organisation. A particularly striking example is to be found in the case of nutrition, studies on which were inaugurated by an Assembly resolution of September 27th, 1935, and have been pursued since that date both in their economic aspect and in connection with general questions of health. The interest it has aroused and the research to which it has given rise throughout the world are increasing day by day. This example is mentioned here only to show the value and expediency of the method adopted, which is based on the principles enumerated above.

The technical committees of the Organisation have, during the year, persevered along these lines, which were admitted by the 1938 Assembly to be those best adapted to the circumstances. That Assembly also approved the provisions<sup>1</sup> drawn up by the Committee instructed to examine the structure and functions of the Economic and Financial Organisation, as also the appointment by the Council of a Co-ordination Committee. An addition to the machinery of the Organisation, this Committee, by virtue of its composition and its terms of reference, showed even last year, during the discussions of the Second Committee, how important is the part it has been called upon to play. Its critical and detailed examination of the work done during the course of the year naturally enables it to determine the main lines of the programme of the technical committees for the following year, in accordance with the principles adopted by the Assembly and the Council. By means of this examination, and thanks to the great ability of its members, the Co-ordination Committee is able to facilitate liaison between the various technical committees.

The need for such liaison becomes more and more evident with the increase in the number of subjects examined, which by their nature come within the province of several organisations

<sup>1</sup> See *Report on the Work of the League, 1937/38, Part I, pages 60-61.*

at once. This applies in particular to the studies on the standard of living, carried out along varying but convergent lines by the Economic Committee, the Financial Committee, the Fiscal Committee, the Health and Transit Organisations and the International Labour Office. In this way, the recommendation of the 1938 Assembly to the Co-ordination Committee "to keep constantly in mind the bearing of the whole economic and financial work of the League on the fundamental problem of the standard of living" is realised.

The following report on the work of the Economic and Financial Organisation describes, for each part of its machinery, the studies it has to undertake, whether as a result of former terms of reference or of instructions issued by the last Assembly. The latter include problems the examination of which has been specially requested by several countries of Latin America. Some of these questions were discussed on the spot by members of the Secretariat mission sent to those countries last year.

In their work, the technical committees have, as in the past, received assistance from the representatives of certain non-member States. The United States of America is represented on the Financial Committee, the Fiscal Committee, the Economic Committee and the newly constituted Demographic Committee. Brazilian representatives were appointed by the Council<sup>1</sup> to the two last-named committees.<sup>2</sup>

## II. WORK OF THE FINANCIAL COMMITTEE

Three main questions have occupied the Financial Committee's attention during the year :<sup>3</sup>

### *Agricultural Credit and Insurance.*

This study, which was undertaken at the instance of the 1937 Assembly, aims at elaborating "principles calculated to strengthen internal and external credit and suitable for adoption by countries contemplating a modification of their existing legislation on these subjects". In accordance with a scheme drawn up by the Committee, an expert<sup>4</sup> was appointed by the Secretary-General to examine on the spot, in some fifteen

<sup>1</sup> Hundred-and-fourth session of the Council, meetings held on January 16th and 17th, 1939.

<sup>2</sup> See also "Collaboration between the League of Nations and Non-member States", page 38.

<sup>3</sup> Report to the Council on the work of the sixty-seventh session of the Financial Committee, document C.502.M.843.1938.II.A.

<sup>4</sup> M. Louis Tar-dey, Honorary Director-General of the Caisse nationale de crédit agricole (Paris).

the Health Organisation, of which the tenth volume is now being issued, was founded in 1932. The 1941/42 volumes of the *Statistical Year-Book of the League of Nations* and the *World Economic Survey* were the sixteenth and tenth in their respective series.

These, like all the other publications of the Secretariat, are not only distributed to Governments of Members and to reference libraries and other official institutions, but are also supplied direct from the Secretariat to private persons who transmit their orders or subscriptions either to the Secretariat or to the authorised sales agents in the different countries.

While recent publications are naturally in great demand, those of previous years constitute a wealth of material on a wide range of subjects of permanent importance and interest, and many of them are in constant request. It has thus become necessary, during the past two years, to issue reprints of the following publications: *Statistical Testing of Business Cycle Theories—Volume I: A Method and its Application to Investment Activity*; *The Development of International Co-operation in Economic and Social Affairs*; *Urban and Rural Housing*; and *Raw Materials and Foodstuffs, Production by Countries, 1935 and 1938*. The continued demand for *Prosperity and Depression*, which is universally recognised as the standard work on the theory of economic cycles, led to the publication in 1943 of a new edition of this work enlarged by the addition of a new Part III.

The official publications of the League represent, in fact, a common stock of knowledge that has been contributed to by experts in nearly every department of national life—political, social, economic, health, etc.—in most of the countries of the world. They form a unique source of authoritative information. The records of the Sales Department show that not only statesmen and Government officials, administrators and public health officers, but also international lawyers, journalists, teachers, students, industrialists, bankers, social workers and all those who are in any way concerned with the problem of planning and preparing for the future, find, in the publications of the League, material which is of the greatest utility to them in their daily activities.

The far-reaching scope of the invaluable material thus placed at the disposal of the public can be seen from the *General Catalogue of Publications 1920-1935* and the four *Supplements* issued by the Publications Department covering the years 1936 to 1939. A special catalogue of selected publications on economic and financial questions of immediate interest in present-day discussions has been published separately. The following pages give a list of publications issued during the period 1940-1943.

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critical investigation of the last point mentioned above, and it proposes to delegate a few of its members to make this study with the assistance of two or three experts in the administration of agricultural credit systems.

The European Conference on Rural Life will find in the documentary material already collected a useful basis for the study and discussion of a problem closely affecting the development of agriculture and the welfare of rural communities.

This enquiry into agricultural credit has already aroused great interest in several countries. Thus, the 1938 Assembly decided, on the proposal of the delegations of the Argentine and Uruguay, that the enquiry should be extended, within the limits of the budgetary provisions available, to any countries which might desire it, and in the first instance to the two countries just mentioned.

Discussions are now in progress with representatives of the Argentine Government with a view to determining when and under what conditions the proposed extension of the enquiry on this subject might be undertaken in that country.

#### *Medium-term Industrial Credit.*

The Economic and Financial Organisation was instructed by the last Assembly to study methods of providing medium-term credit to industry.

The Financial Committee had a preliminary discussion of the problem at its sixty-seventh session and considered that the best means of acceding to the Assembly's desire would be to draft a statement on the methods found to be most successful in certain countries in providing industry with the medium-term credits required.

Accordingly, it arranged for the collection of information regarding the methods employed in nine countries. These methods are described in some detail in the report of the Financial Committee on the work of its sixty-eighth session. The Financial Committee prefaces this description with its general observations on the subject. It states that the raising of funds through public issues, whether in the form of shares or bonds, does not normally present difficulties for big concerns, but becomes increasingly difficult and expensive in the case of small and medium-sized undertakings, which are frequently forced to rely on local banks or individual capitalists knowing the management personally.

Industrial credits are, however, not a suitable asset for ordinary commercial banks working with short-term funds; and the Committee therefore comes to the conclusion that there is a presumption that some credit institutions should exist for the provision of medium-term credit to small and medium-sized industry. Its examination of the volume of operations of the special institutions set up for this and kindred purposes in a number of countries leads it, however, to the conclusion that the unsatisfied legitimate demand for this type of credit is not very great.

The Financial Committee insists on a clear distinction being drawn between the need for capital and the need for credit, and states that the risks of small business, particularly at the present time, are such as to require a high proportion of equity to borrowed money. It draws attention to certain basic tendencies which appear to be reducing the volume of capital willing to undertake risks, and states that the broad tendencies affecting the supply of and demand for equity capital require the most serious consideration.

### *Monetary and Credit Policy in Agricultural Countries.*

It was on the proposal of a Latin-American country that the 1938 Assembly "requested the Economic and Financial Organisation to advise upon the fundamental principles of monetary and credit policy which might be applied in agricultural countries, with a view to diminishing the influence of fluctuations in the balance of payments on the credit structure and the rate of exchange".

The Financial Committee has decided to postpone a full examination of this subject until it has before it the report of the Delegation appointed to consider economic depressions, as that Delegation is likely to deal with the problem in its most general form.

## III. WORK OF THE ECONOMIC COMMITTEE<sup>1</sup>

### *Study of Measures for raising the Standard of Living.*

As mentioned above, the 1938 Assembly emphasised that an improvement in the standard of living constituted in the last resort the ultimate aim of the general economic and financial

<sup>1</sup> Report to the Council on the work of the forty-ninth session of the Economic Committee, document C.116.M.70, 1939.II.B.

work of the League. Whether that problem is approached through a consideration of such wide questions as that of hindrances to international economic relations, or of more technical questions, such as credit systems or the habits of the consumer in the matter of diet, housing or clothing, the work undertaken all tends towards a general improvement in material welfare. At a time when expenditure on armaments is weighing more and more heavily on the economic life of countries and is becoming a serious menace to the production of, and trade in, consumption goods, it is greatly to be hoped that the work now in progress may lead to useful results.

To the Economic Committee fell the task set by the 1937 Assembly when it invited the Economic and Financial Organisation in collaboration, when appropriate, with the International Labour Office, to examine measures of a national or international character for raising the standard of living.

As a first step, a preliminary report<sup>1</sup> on the subject was prepared.

The terms of reference laid down by the Assembly cover a wide range of questions, some of which lie beyond the Economic Committee's province. The Financial Committee's contributions in this field have already been mentioned. Another investigation on a fiscal problem is referred to below in the section dealing with the Fiscal Committee. Moreover, as mentioned in other parts of this report, the Communications and Transit Organisation and the Health Organisation are studying various aspects of the problem directly connected with their particular work. All these investigations are being carried out in close collaboration, whenever necessary, with the International Labour Office.

Through a Sub-Committee set up for the purpose, the Economic Committee maintains the necessary co-ordination between these various studies. Further, the Sub-Committee is to submit to the next Assembly proposals for the continuance of the work.

For its part, the Economic Committee has suggested<sup>2</sup> that an independent economist should be requested to study the effects of the economic policy of certain representative countries on the standard of living; the programme of this investigation has been drawn up by the Sub-Committee mentioned above.

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<sup>1</sup> Report by Mr. N. F. Hall, Director of the National Institute of Economic and Social Research London, document A.18, 1938, II.B, summarised in the *Report on the Work of the League, 1937/38, Part II, page 22.*

<sup>2</sup> This proposal was approved by the Council on May 23rd, 1939.

### *International Economic Relations.*

In its report on the work of its fiftieth session, the Economic Committee deals with the present prospects of commercial policy.<sup>1</sup> The Committee devotes its attention to possible improvements in bilateral agreements, which seem to offer the most effective means of promoting trade at the present time. It insists on the necessity of States adopting a dynamic policy aimed at attracting all the principal trading countries, and draws attention in this connection to the commercial policy of the United States of America.

The Committee's report contains a number of recommendations relating to commercial policy which are set out in summary form as an annex to the report of the Co-ordination Committee. States Members are invited to study, at the next session of the Assembly, the methods of collaboration which appear to them most likely to promote international trade on as liberal a basis as possible. In this connection, the Committee again insists that the basis of a liberal policy in international economic relations must be the most-favoured-nation clause, under which concessions to one country are automatically extended to all others enjoying most-favoured-nation treatment. Each country is urged by the Committee to examine carefully its position in relation to all others with a view to the negotiation of reciprocal concessions in tariffs and other matters, whether through long-term commercial treaties or through arrangements with regard to most-favoured-nation treatment in tariffs and the application of tariffs, or through the establishment of as liberal quotas as possible.

The Committee recommends the reduction of tariffs which are unduly high, the revision of tariffs applied to products the import of which represents only a small proportion of national production and the renunciation of arbitrary tariff specialisation.

A section of the report is devoted to quotas. While insisting on the serious obstacle that quotas constitute to the further development of trade, the Committee suggests certain methods by which quota restrictions might be relaxed by those countries which do not feel in a position to abandon them altogether. It recommends the frequent revision of quotas in force with a view to their eventual suppression or enlargement; the revision particularly of quotas established by countries to defend their currencies and retained after their currencies had been adjusted; replacement where possible of quotas by moderate tariffs or by

<sup>1</sup> Document C.179.M.108.1939.II.B.

tariff quotas; and the application of most-favoured-nation treatment to the administration of quotas.

In the section of its report devoted to exchange control, the Committee makes a number of suggestions for adjusting such control so as to mitigate some of its adverse effects. In particular, it recommends that exchange-control countries should seek every means of so adjusting their position that control may be abandoned as soon as circumstances permit; that free-currency countries should grant exchange-control countries free disposal of as large a proportion as possible of the exchange arising out of the latter's exports; that examination should be made by exchange-control countries of the possibility of extending the system whereby their exporters are allowed to sell at free market-rates a proportion of the exchange derived from exports; that exchange-control countries should seek to lower the level of their export prices, diversify the proportion of their production destined for export, improve the grading and presentation of their products, and that importing countries should support these efforts; that free-currency countries should buy as much as possible from exchange-control countries; that creditor countries should give consideration to the possibility of equity investment in the smaller exchange-control countries with a view to financing production and the organisation of sales abroad; that, where appropriate, barter companies should be established in free-currency countries.

Finally, the Economic Committee deals in its report with some aspects of the relationship between predominantly agricultural and predominantly industrial countries. It emphasises that it is in the interests of the latter to do everything in their power to find remunerative markets for the products of the former; that greater consideration than has been the case in the past should be given to the interests of consumers in industrial countries; that the granting of protection should so far as possible be subordinated to some obligation in respect of the price of protected products and the efficiency of production methods; and that the extreme forms of agricultural protectionism should be revised.

#### *Principles to govern Certain Non-tariff Provisions of Commercial Agreements.*

Efforts have been made in past years to solve, by means of international Conventions, certain difficulties directly or indirectly hampering trade in various important commodities.



Such a procedure is, however, difficult to-day, and the Economic Committee has therefore adopted a more flexible method of attaining its object, which has been very successfully applied by the Fiscal Committee. It has endeavoured to frame uniform principles which the various countries can, each in its own way, incorporate in the agreements which they conclude among themselves. This method does not involve the use of the complicated procedure of accessions and ratifications; and it would be by no means incompatible with the multilateral treaty if it were found practicable to revert to the latter at a later stage.

Two sub-committees of experts, which met under the auspices of the Economic Committee, have drawn up a number of such principles concerning international trade in live-stock and the methods of inspecting meat for sale on the international market.

As the experts themselves say, it was not their intention to draw up rules for the use of national veterinary departments. They have merely attempted, by framing clear and precise principles, accompanied, if necessary, by explanatory notes, to solve difficulties which frequently arise in practice from measures amounting to indirect protection under the guise of sanitary policy. If their suggestions were widely adopted, they would lead to uniformity of practice and custom and would, while giving due weight to sanitary requirements, at the same time facilitate international trade.

The Economic Committee has added certain observations to the report prepared by these experts. It points out in particular that, with a view to harmonising the different methods employed, occasional visits might well be exchanged between qualified representatives of the veterinary services in exporting and importing countries.

In another branch—that of imports and exports of plants, fruit, vegetables and vegetable products—work with a similar object has been done under the auspices of the International Institute of Agriculture at Rome by a Committee of Experts, whose meetings were attended by two representatives of the Economic Committee.

#### IV. WORK OF THE FISCAL COMMITTEE<sup>1</sup>

##### *Fiscal Evasion.*

The Fiscal Committee has, in recent sessions, studied international means of preventing fiscal evasion. Important discus-

<sup>1</sup> Document C.384.M.229.1938.II.A.

sions on this question had been held by the Assemblies of 1936 and 1937, at a time when certain countries were suffering from the effects of mass exportation of national capital. At first, it seemed likely that the exchange of information between several important countries under the terms of a general convention would provide an effective means of preventing the practices in question; but the replies received from a large number of countries to a suggestion of this nature led the Committee to deprecate this course.

Anxious above all to do practical work, the Committee, with the Council's authorisation,<sup>1</sup> collected information on the methods of internal control in force in some thirty countries. This enquiry showed that national administrations might be in a position to assist each other in spite of the diversity of practice. In these circumstances, the Committee considered that the prevention of tax fraud, like the question of double taxation, could be more usefully dealt with by means of bilateral conventions than by a general convention.

With the Council's approval,<sup>2</sup> the information collected was communicated to various countries. The knowledge thus gained of the systems of control in force in the other countries should help them to negotiate bilateral treaties if they think fit, without necessitating any radical reform of domestic legislation.

### *Technical Principles of Taxation.*

<sup>3</sup> This is a new task entrusted to the Fiscal Committee by the last Assembly, which requested the Economic and Financial Organisation "to study and advise upon the principles on which fiscal legislation dealing with the main categories of taxes, such as income tax, land taxes, turnover taxes, etc., should be based".

The initiative in the matter was taken by the Mexican delegation to the Assembly. This is a striking example of the nature of the services which the States Members may receive from the League in technical matters. National taxation systems are extremely complicated, having frequently evolved in haphazard fashion and being based on the needs of the moment rather than on any preconceived plan. In the circumstances, a comparative study would be unlikely to yield the best results from the point of view of countries intending to transform or

<sup>1</sup> Resolution of January 28th, 1938 (hundredth session).

<sup>2</sup> Resolution of January 16th, 1939 (hundred-and-fourth session).

improve their fiscal legislation. On the other hand, an expert body such as the Fiscal Committee is in a position to acquaint those countries with the results of the practical experience of its members in the matter of the technical organisation and effective functioning of the main categories of taxes, with due regard to the adaptations necessitated by differences in economic systems.

Such was the view which the Fiscal Committee, during a preliminary discussion,<sup>1</sup> took of the task it was called upon to perform. It laid down the general lines along which its research was to be conducted and decided to deal, in the first place, with taxes on income. It accordingly requested the Secretariat to prepare various preliminary studies on the subject. In its report,<sup>2</sup> the Committee states that the work done by the Secretariat is likely to prove of very real interest to a number of States and that it should be published as soon as possible. At the same time, the Committee formulated a number of recommendations intended to assure efficiency, clearness and equity in the taxation of the different varieties and classes of income. These recommendations cover, *inter alia*, the following matters : co-ordination of State and local taxes on income, structure of the State taxes on income, scale of rates, means of assessment, methods of collection, administrative and judicial guarantees for the taxpayers, formal characters of the legislation.

In dealing with all these matters, the Committee was particularly concerned with the practical problems with which legislators and administrators were in fact confronted.

It may be of interest to note that the discussions on the technical principles of taxation gave occasion to the Egyptian expert, who took part in the session, to ask the Committee's opinion on various problems which arose in Egypt in connection with the application of the new income-tax law recently introduced in that country in consequence of the Montreux agreements.

### *Fiscal Policy and Economic Fluctuations.*

The Fiscal Committee also considered the data assembled in the course of the enquiry which had been made on the behaviour, during the period 1928-1935, of the yield of taxes in thirteen countries, representing the various types of national economy. In its report, it describes the behaviour of the yield

<sup>1</sup> Eighth session of the Fiscal Committee, Geneva, October 17th-20th, 1938.  
<sup>2</sup> Document C.181.M.110.1939.11.A.

of the different types of taxes, during the various phases of the economic cycle, in relation to its determining factors : taxable matter, method of assessment, tariff, method of collection, taxpaying capacity. It gives also a general picture of the means used in the various countries to maintain or increase tax receipts during times of depression. The Committee points out that while, in the past decade, a number of countries were in a position to obtain a substantial amount of fresh receipts by raising their Customs duties, and thus offset, to a certain extent, the effects of depression on State revenue, such a possibility hardly exists, at present, owing to the level to which Customs duties have generally been brought.

In its opinion, no tax system can be reasonably devised of which the yield would not respond, in a more or less limited degree, to economic fluctuations. At the same time, it appears desirable, from the fiscal point of view, that the amount of taxation should diminish in periods of depression and increase in periods of prosperity. From the technical point of view, it is easy to devise a tax system which would operate in this manner automatically. But the application of such a system is only possible if State finances are managed in such a way that surpluses due to prosperity are employed to cover the reductions of receipts due to depressions. The Committee, however, considered that this problem was rather within the competence of the Delegation on Economic Depressions than within its own terms of reference. It decided, therefore, to formulate no definite conclusions on the subject before the Delegation had submitted its conclusions to the Council.

While stressing the drawbacks of increasing the burden of taxes in periods of depression, the Committee also considered the fiscal measures to which resort might be had in times of depression, in order to balance the budget.

#### *Review of Fiscal Legislations.*

Information was submitted to the Committee on recent fiscal measures adopted in some thirty countries, from which the Committee was able to appreciate the great similarity which existed in the technical problems with which the various tax administrations were faced.

It thought it desirable therefore that a systematic exchange of information concerning general legislative and administrative measures should be instituted by co-operation between the various national tax administrations and the Secretariat.

This initiative cannot fail to be of great help to the tax authorities of the various countries who would thus be in a position to benefit rapidly from experience gained abroad.

### *Taxation and the Standard of Living.*

Another question which may conveniently be mentioned in this section on the work of the Fiscal Committee is that of the influence of different types of taxes on the standard of living. A preliminary study of this problem has been made by the Secretariat, and the Fiscal Committee made suggestions as to the manner in which the investigation should be pursued.

The Sub-Committee on the Standard of Living, which will meet just before the Assembly, will no doubt refer to this matter in its report.

## V. WORK OF THE COMMITTEE OF STATISTICAL EXPERTS <sup>1</sup>

The function of this Committee is to put forward proposals for the improvement of national economic and financial statistics and of their comparability.

Two fresh studies have just been added to the series called "Studies and Reports on Statistical Methods". The first is entitled *An International Minimum Programme for Housing Statistics*, and has been drawn up by the Committee in the light of observations called for, with the authority of the Council, <sup>2</sup> from States Members of the League and non-member States. The other refers to *Indices of Industrial Production* and is also the final text of a preliminary report previously transmitted for observations, in accordance with a decision of the Council <sup>2</sup> to a large number of authorities, official and other, which publish such indices.

Finally, a preparatory enquiry has been carried out on "Indices showing Variations in the Quantum and Prices of International Trade". A number of countries compile such indices for their imports and exports, but international comparisons are not always possible on account of the diversity of methods employed. The Committee has made a number of recommendations designed to overcome this difficulty.

A similar procedure has been adopted for *banking statistics*.

<sup>1</sup> Report to the Council on the work of the eighth session of the Committee of Statistical Experts (document C.133.M.85.1939.II.A).

<sup>2</sup> Council resolution of September 10th, 1938 (hundred-and-second session).

Readers of the last report of the Committee<sup>1</sup> will have noted the progressive adoption by a large number of countries of the "Minimum List of Commodities for International Trade Statistics", as drawn up by the Committee. By keeping in constant touch with the competent administrative departments, the Committee is endeavouring to make all such improvements in the list as may be suggested by practical experience.

## VI. WORK OF THE COMMITTEE FOR THE STUDY OF INTERNATIONAL LOAN CONTRACTS

After five sessions—the last held in May 1939—the Committee completed its work, which it had carried out in conjunction with the International Institute at Rome for the Unification of Private Law.

Its report is among the documents submitted to the Assembly.<sup>2</sup>

The Committee prefaces its report by certain observations on the significance of its work. It points out that failure to make payment in the past has rarely been due to legal defects in the text of the contracts, but rather to economic factors or to loans having all too frequently been granted without sufficient attention being paid to the debtor's capacity to pay or to transfer the arrears on his loans. A measure of co-ordination between the various capital markets would be desirable in order to obviate such mistakes. This could be done, without formal obligation, by designating a few independent experts who could be asked for their opinion in doubtful cases. But, while economic factors have been of predominant importance, the need for improving the legal documents is a real one.

The Committee's recommendations relate to four principal points :

(a) *Need for avoiding the ambiguous wording of contracts.*—The Committee emphasises this point and recommends the greatest possible simplicity of language, the avoidance, so far as possible, of expressions which may not have the same meaning in the two (or more) countries parties to the contract, and care to employ an identical terminology in all the documents relating to the contract.

(b) *Currency clauses.*—Disputes in connection with the application of currency and gold clauses have been frequent

<sup>1</sup> Document C.133.M.85.1939.II.A.

<sup>2</sup> Document C.145.M.93.1939.II.A.

and courts have sometimes given contradictory rulings. The Committee makes a number of recommendations about the drafting of such clauses, and observes that gold clauses may aim at too much and thus, in fact, produce disappointment. For this reason, it prefers the adoption of clauses providing for payment in any one of several currencies.

(c) *Agencies responsible for the service of the loan.*—The Committee makes a number of recommendations, both as regards the functions of the various agencies and as regards the terminology employed in contracts. It considers that the term "fiscal agent" should be avoided as tending to confusion. Confusion is also caused by employing the expression "trustee", which has no equivalent outside Anglo-Saxon law. The Committee suggests that the term "supervisor" might have the advantage of not being encumbered with past legal associations. It sets out the principal functions which this agent is likely to be called on to perform and makes suggestions regarding his legal status.

The question of the representation of bondholders is dealt with both in the body of the report and in an annexed note on the machinery required in the case of the appointment of the legal bondholders' representative in an international loan contract. The Committee does not think that it is possible to express a preference as regards the choice between the legal representation of bondholders and their representation by some body such as the existing councils of foreign bondholders, which act as negotiators without any formal mandate.

(d) *Legal disputes.*—This is one of the most important points which the Committee had to consider. In the case of a loan issued on several markets, the question of the law applicable to the contract may present difficulties. The report contains a number of suggestions on this point. The Committee has, however, gone further and contemplated the possibility of contracts being rendered subject to international law and not to municipal law. With this object, it requested the International Institute at Rome for the Unification of Private Law to draw up a code of rules.

Moreover, the Committee strongly recommends that all contracts should contain an arbitration clause, and it submits a draft clause.

It also suggests that the Permanent Court of International Justice might select nine persons, from among whom the President of the Permanent Court could nominate three, to deal, as

an arbitral tribunal, with cases concerning the interpretation of contracts.

A draft international convention providing for the setting-up of an international loans tribunal is attached to the report, but the Committee observes that, in present circumstances, it would seem difficult to obtain adhesion to such a convention.

This report, drafted by qualified specialists in finance and international law, has no precedent. Its object is, as far as possible, to introduce order and clarity into this form of contract.

## VII. WORK OF THE COMMITTEE FOR THE STUDY OF DEMOGRAPHIC PROBLEMS

During recent Assemblies, the opinion has on several occasions been expressed by members of the Second Committee that the Economic and Financial Organisation should undertake, side by side with its work on the international movement of goods and capital, enquiries relating to demographic problems.

A first step in this direction was taken by the Economic Committee in 1938, but the last Assembly recognised the need for an *ad hoc* Committee, in view of the scope of these studies.

The task entrusted to this Committee is "to study demographic problems and especially their connection with the economic, financial and social situation, and to submit a report on the subject which may be of practical value to Governments in the determination of their policies".

At a first session, held in April last, the Committee took a realistic view of the problems before it. It decided to eliminate from the outset the study of certain notions such as that of the "optimum population".

The meeting was mainly devoted to laying the foundations of preparatory studies to be carried out. For this purpose, the problems were divided into three main categories: those arising in countries where the population is rapidly increasing; those arising where the population is falling or likely to fall; and finally those arising in countries where the population is small compared with the productive area or natural resources.

A general study of the problem to which population movements give rise will be conducted by the Secretariat.

This general study, designed to put the demographic factor in its proper perspective, will be amplified by more detailed local enquiries, especially in the case of countries belonging



to the first category. Tests will be carried out in limited areas, which are representative in extent and character. The enquiry in the districts chosen will cover three principal groups of problems : the demographic position, conditions of work and standard of living.

#### • VIII. • WORK OF THE CO-ORDINATION COMMITTEE

This Committee, which was set up by the Council in May 1938 in pursuance of a recommendation of the Committee on the Structure and Functions of the Economic and Financial Organisation, has issued its second annual report,<sup>1</sup> on the economic and financial questions inscribed on the agenda of the twentieth session of the Assembly. As in the case of its first report, this document is divided into two parts. The first sets out the broad considerations which formed the background of the work of the Economic and Financial Organisation during the past year. The Co-ordination Committee draws attention to the great improvements in economic well-being which would result if existing scientific knowledge were more widely applied for socially useful purposes, and points out that, in recent years, there has been in many countries increasing recognition that constructive and internationally co-ordinated action is required if the right solutions to the outstanding problems of economic and social policy are to be found and applied. It stresses the fact that the whole of the work of the Economic and Financial Organisation is devoted to this broad general end of increasing economic and social well-being ; in this connection, it mentions in particular the work on economic depressions, on commercial policy, on nutrition and the standard of living and also on various technical subjects which have the same final objective.

Though production is active, an increasing proportion of that production is intended, not to satisfy consumption needs, but to supply means of destruction or of defence. The Committee points out that, though a fictitious appearance of prosperity is caused by the immense expenditure on armaments, a point must sooner or later be reached when further increases in the production of armaments must involve a limitation of consumption.

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<sup>1</sup> Document A.16.1939.II.

The Committee discusses four groups of questions of policy which the present situation throws up for the consideration of the Assembly :

- Commercial policy ;
- Standard of living ;
- Economic repercussions of armament production ;
- Demographic and long-trend problems.

The question of commercial policy has been dealt with above in the section on international economic relations.

A progress report on the standard of living will be prepared immediately before the Assembly.

With regard to the third question, the Co-ordination Committee commends to the Assembly the proposal of the Economic Committee<sup>1</sup> that the Economic and Financial Organisation be requested to make a full study of "the economic repercussions of armament production, including its influence on the standard of living". The Co-ordination Committee, like the Economic Committee, makes it clear that in its view this study should cover, not only the effects on living standards of large State expenditures for this purpose, but also the problems which will arise when these expenditures cease to be made. For in the view of the Co-ordination Committee, whatever the final outcome of the present state of political tension may be, society will have sooner or later to adapt itself to a peace economy, and difficult problems are bound to arise on account of the growing dependence of business on Government spending and the ultimate necessity of retransferring large numbers of workers to normal peace-time occupations. The Committee suggests that these questions should be studied in close collaboration with the International Labour Office.

The fourth group of questions embraces the problems presented by population pressure when the growth of population outruns the development of its environment, and those presented by the arrest of population growth ; the instability caused by the increasing importance of the demand for durable goods or luxury services ; the forces that determine the terms of trade between agricultural and industrial States. Certain of these questions underlie the terms of reference of the Demographic Committee ; others are under consideration by the Economic and the Financial Committees.

<sup>1</sup> See report on the work of the fiftieth session of the Economic Committee, document C.179.M.108.1939.II.B, page 5.

In the second part of its report, the Committee sets out the position of the work being conducted by the Economic and Financial Organisation on the various items inscribed in the Assembly agenda and shows the interrelationship between the various activities of that organisation.

## IX. OTHER WORK

### *Economic Depressions.*

The Delegation on economic depressions, appointed by the Council in January 1938 as a result of a resolution of the Assembly of 1937 to investigate the policies which might be adopted with a view to preventing and mitigating economic depressions, has held two sessions, in December 1938 and in July 1939.

The complexity of the problems which the delegation has had to consider is illustrated by the range of the memoranda prepared for its use, which include papers on residential building and the trade cycle, public works, the prices of primary products, commodity restriction schemes, commodity stocks, the volume of savings, stock exchange speculation, the size of the investment industries, etc. It is not expected that the delegation will have completed its work before the next Assembly.

Professor von Haberler's book on *Prosperity and Depression*, which was first published in 1937, examined the different theories concerning the nature of the trade cycle with a view to ascertaining what such theories had in common, the points at which differences arose and, as far as possible, the causes of those differences. The volume stimulated wide discussion in economic circles, in the course of which a number of valuable suggestions and criticisms were made. It was therefore decided to bring the work up to date by preparing a new edition which would incorporate these new views. The new edition, published in June 1939, has been thoroughly revised and in part rewritten, while a further chapter has been added dealing with the large volume of literature on this subject which has been published since 1937.

The work of the Economic Intelligence Service on the trade cycle was carried a step further by the publication in February 1939 of the first volume of the series "Statistical Testing of Business-cycle Theories" entitled *A Method and its Application to Investment Activity*.<sup>1</sup> This volume forms an introduction

<sup>1</sup> Prepared by Professor J. Tinbergen, who was seconded for the purpose from the Central Statistical Bureau of the Netherlands.

to the work which has been begun in connection with the statistical testing of the assumptions and propositions that are essential to the main business-cycle theories. Its primary object is to explain the method which, subject to any suggestions that may be received, it is proposed to employ in this work. The description of methods is followed by three examples relating to fluctuations in total investment, residential building and net investment in railway rolling stock. The results obtained in the elaboration of these three examples, though of interest to students of the trade cycle, are only incidental to the primary objects of the volume.

The second volume in the series of "Statistical Testing of Business-cycle Theories", published in August 1939, deals with business cycles in the United States of America from 1919 to 1932. It aims at determining, on the basis of existing statistics and with the help of the "multiple correlation method" described in the first volume, the more important quantitative relationships which have governed the economic system of the United States of America during the period under review. In this way, some forty equations are found, which are thought to represent the main characteristics of the mechanism of the United States business cycles in that period. The combination of these equations by mathematical treatment ("elimination process") yields one "final" equation, from which emerges the general nature of the United States cycle.

A third volume dealing with business cycles in the United Kingdom is in preparation and will, it is hoped, be published next year.

### *Nutrition.*

The second meeting of representatives of National Committees was held in October 1938, sixteen countries being represented.<sup>1</sup>

It may be noted here that National Nutrition Committees, the creation of which was recommended by the Mixed Committee of the League on Nutrition, now exist in over twenty countries, while only three Committees were in existence when the League enquiry started.

The first annual *Survey of National Nutrition Policies, 1937/38*, published in January 1939, is based mainly, in accordance with

<sup>1</sup> United States of America, Australia, Belgium, United Kingdom, Canada, Egypt, Finland, France, Hungary, Iraq, Latvia, Netherlands, Norway, Poland, Sweden and Yugoslavia.

the above-mentioned resolution, on the reports furnished by Governments and on the discussions which took place at the October meeting of representatives of National Committees.

The *Survey* contains an account of the food consumption surveys undertaken in certain countries, and of the results obtained. It gives, in a concise and readable form, a large number of illuminating facts about food habits in various parts of the world. There is also a brief description of the numerous measures taken in different countries to improve nutritional standards. Certain of the economic aspects of the nutrition problem are then dealt with. It is suggested that measures of relief only touch the fringe of the problem, and other possible measures for making good dietary deficiencies are indicated. Finally, some of the steps taken to educate the public are described. Much can be accomplished by means of education and publicity since, as is pointed out in the *Survey*, "it is surprisingly common to find relatively well-to-do sections of the population living on poor diets when, for an expenditure within their means, they could, by the wise choice of foodstuffs, obtain all the constituents of a good diet in sufficient quantities".

The Assembly of 1938 authorised the Council, in arranging for future annual meetings of representatives of National Nutrition Committees, to confine them, in cases where it appeared appropriate to do so, to groups of countries whose nutrition problem is broadly similar in character, and empowered it, should occasion arise, to invite representatives of countries where there exist public bodies which, while not national nutrition committees, perform similar functions.

A number of Latin-American countries having recently shown keen interest in nutrition and having made considerable efforts to improve nutritional standards, the Council, on May 23rd, 1939 (hundred-and-fifth session), requested the Secretary-General to ascertain whether it would be possible to arrange a meeting of representatives of National Nutrition Committees or public bodies doing similar work in Latin-American countries, to be held during the autumn of 1939. It also authorised him, should the result of his enquiry be favourable to this course, to take the steps necessary for convening such a meeting in Latin America and to invite the United States of America to be represented. Should such a meeting not be found convenient in 1939, the Secretary-General was requested to make arrangements for a meeting at Geneva similar to that held in October 1938.

### “Housing.”

It was reported last year<sup>1</sup> that an international study was being made of the methods employed in various countries for improving housing conditions. The 1938 Assembly decided that the scope of this enquiry should be extended to the financial aspects of town-planning.

The report, entitled “Urban and Rural Housing”<sup>2</sup>, was completed in July 1939, and covers the United States of America, Belgium, the United Kingdom, Canada, Denmark, Finland, France, Netherlands, Norway and Sweden. It co-ordinates the documentation obtained from governmental and municipal authorities and from international studies on this subject, such as those undertaken by the International Labour Office and the International Federation for Housing and Town-planning.

A chapter is devoted to each country, briefly summarising, as far as information is available, the need for additional accommodation, the lack of modern conveniences and the number of existing dwellings which ought to be repaired or demolished as unfit for human habitation. Building activity and progress in housing since the war are discussed in relation to the general economic development and to the trend of building costs and interest rates. The report devotes special attention to the organisation of the supply of capital for housing purposes and to the measures taken in a number of countries with a view to mobilising the mortgage market and lowering the cost of long-term mortgage loans. The housing policies adopted by Governments and municipal authorities are described in some detail, and an attempt is made to show how far the measures taken are intended to meet general housing needs or to improve the living conditions of certain groups of the population, such as people earning low incomes, large families with insufficient means, slum-dwellers, etc. The report indicates the methods employed to realise these aims—i.e., general subsidies to the building industry, cheap loans to public utility societies or local housing authorities, individual subsidies in the form of differential rents, etc. Information is given as to the expenses and other liabilities incurred by public authorities in carrying out their housing programmes and the results obtained.

Special reference is made to the problems of slum clearance and of rural housing and the measures taken to improve the housing conditions of agricultural workers and other groups of the rural population.

<sup>1</sup> See Report on the Work of the League, 1937/38, Part I, page 79.

A general chapter describes the two main aspects of the housing problem: (1) the housing shortage that occurs from time to time, and (2) the inferiority of existing accommodation to accepted minimum standards regarding sanitary arrangements, density of occupation, etc.

This general chapter also summarises changes in housing policy since the war in the countries covered by the report. Since the supply of dwellings is now sufficient in many countries to meet major requirements, there is a tendency to lay greater stress upon specific purposes, such as slum clearance, the reduction of over-crowding and assistance to large families.

### *Study Tours of Statistical Officials.*

Thanks to the generous financial help of the Rockefeller Foundation,<sup>1</sup> the Economic and Financial Organisation has been able to take action to promote an improvement in the methods of collecting statistics. Under arrangements made with the Foundation, senior officials of central statistical offices were enabled to make study tours in other countries in order to ascertain their methods of preparing various kinds of national statistics. Since the arrangements were concluded in August 1937, some twelve officials from various statistical offices have proceeded on study tours and a number of further tours are being organised.

The subjects studied relate to almost all branches of statistics, such as the general organisation of statistics, censuses of population, industrial and trade statistics and balances of payments. In order that the officials may derive the greatest advantage from the scheme and that the Economic and Financial Organisation may also profit by their experience, it has been arranged that the officials should visit Geneva for discussion before starting on their tours and should report after their conclusion. The reports received up to the present show that the statistical offices granting facilities to such officials have been very helpful and that the ultimate result is likely to be a real improvement in statistical methods and a greater comparability between various national statistics. The study tours will, no doubt, also be of great assistance to the work of the Committee of Statistical Experts described elsewhere in this report.

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<sup>1</sup> See *Report on the Work of the League, 1937/38, Part I, page 87.*

### *Public Debt.*

In pursuance of the Assembly resolution of October 4th, 1937, a questionnaire was sent to sixty-nine Governments in April 1938 with a view to obtaining information on the growth of the indebtedness of States, local authorities and public undertakings.

This resolution was again discussed in the Second Committee of the 1938 Assembly. The Committee expressed the hope that "the Governments and other public bodies would furnish the information requested by the Secretariat, thus enabling it to provide a picture of the public debt situation that would be very helpful in studies of economic and monetary fluctuations and policies".

The response to this circular has unfortunately not been very encouraging. By March 1939, the Secretariat had received the questionnaire partially filled in from eleven countries. On April 13th, 1939, it sent out a further Circular Letter requesting the Governments to indicate at what time they expected to be able to transmit the information requested. By the middle of May, three further replies had been received. It is not felt that sufficient information has yet been received to justify publishing it.

### *Permanent Exhibition of Graphs relating to Current Economic and Financial Conditions.<sup>1</sup>*

The Committee of Statistical Experts, under instructions from the Council of May 13th, 1938, prepared a plan<sup>2</sup> for a permanent exhibition of graphs, in agreement with a representative of the Danish Government. The Committee suggested that the exhibition should demonstrate the economic and financial interdependence of nations and that the exhibition should be situated in the building of the League of Nations, in rooms easily accessible to delegates, Committee members, journalists and tourists visiting the building.

The Council decided, on September 10th, 1938 (hundred-and-second session), to accept the offer made by the Danish Government on behalf of the Otto Mønsted Foundation and approved the programme and conditions for the exhibition agreed upon by the representative of the Danish Government and the Committee of Statistical Experts.

<sup>1</sup> See *Report on the Work of the League, 1937/38*, Part I, page 86.  
<sup>2</sup> Document C.226.M.128.1938.II.A.



Statistical material has been prepared by a special bureau, set up by the Mønsted Foundation on population, production, international trade, stocks of primary commodities, prices, exchange rates, currency circulation and monetary gold reserves, bank deposits, bank credits and interest rates and international payments. Preparatory work has also been done on the economic structure of certain countries, national income and employment and unemployment. A number of studies and experiments have been made in order to find the best means of illustrating the above material, and some of the diagrams have already been prepared.

#### *Technical Assistance in Providing Food Supplies to Spanish Refugees.*

The Republican Government addressed a letter to the Secretary-General on September 20th, 1938, requesting him to arrange for the competent organs of the League of Nations to assist the authorities with a view to finding a solution for the urgent problem of ensuring the supply of food during the winter for about three million refugees from the territory in the hands of General Franco's Government.

The Council, at its hundred-and-third session, adopted a resolution authorising the Secretary-General to institute a preliminary enquiry on the spot. In virtue of this resolution, two Commissioners<sup>1</sup> were appointed to undertake the enquiry and to proceed to Spain for the purpose. They conducted a personal investigation of conditions in that country from October 9th to 27th, 1938, and reported fully on the position, describing the magnitude and urgency of the problem and the existing organisation for relief distribution. The report was distributed to all States Members on November 3rd, 1938.<sup>2</sup>

#### X. PUBLICATIONS OF THE ECONOMIC INTELLIGENCE SERVICE

##### *Review of World Trade, 1938.*

This volume contains a general synopsis of trade during 1938 and a comparison of the figures for that year—by countries and groups of countries—with those of the immediately preceding years and of 1929.

<sup>1</sup> Sir Denys Bray, K.C.S.I., K.C.I.E., sometime Foreign Secretary to the Government of India, subsequently Member of the Council of India, assisted by Mr. Lawrence Webster, sometime Director of the Save the Children Fund in Bulgaria and later Assistant to the League of Nations Commissioner for the settlement of refugees in that country.

<sup>2</sup> Document C.416.M.261.1938.VII.

Special attention has been paid to the effect of war apprehensions on trade and to the disintegration of world economy through the formation of economic groups of countries which, in their trade, tend to detach themselves from each other.

The reference tables giving indices of the price and quantum of trade (for the world as well as individual countries) have been extended and a special section of the text analyses the relationship between the prices and quantities of goods entering into trade.

The main results which emerge from the analysis of world trade contained in this volume may be summarised as follows :

World trade expanded for several years in succession up to 1937 and contracted in 1938. Its value in terms of gold fell off by 13%, of which about 5% was on account of lower prices and 8% on account of a decline in quantum, the latter being most pronounced in the case of raw materials.

Signs of an improvement in trade occurred in the middle of 1938 when the fall in the prices of goods entering into trade was practically arrested.

Recent changes in world trading conditions appear to have been determined chiefly by the variations in the United States demand for goods, particularly raw materials, that resulted from the sharp changes in their industrial activity in 1937 and 1938.

The increased demand for commodities for armament purposes or for the building-up of emergency reserves, besides implying a change in the distribution of world trade among different commodities, appears to have abated the aggravation of trading conditions that began in 1937.

There was, in 1938, an exceptionally heavy demand, particularly from non-industrialised countries, for machinery and other capital equipment.

The tendency in recent years towards a disintegration of world economy through the formation of separate economic groups of countries received fresh impetus from the decline in the imports of a number of creditor countries in 1938, the deterioration in the terms of trade of agricultural countries and the resulting prominence given to the transfer problem.

#### *World Production and Prices, 1938/39.*

This volume, which is due to appear in August, is similar in scope to the last issue, but attention is directed mainly to developments during the past eighteen months, while, in the

previous issue, it was devoted mainly to the broad trend of development since 1920.

Various chapters deal with the effect of changes in production upon employment and unemployment and output per man-hour; the trends of development of industrial production in different countries during 1938 and the first half of 1939; production, stocks, etc., by groups of commodities; price movements of primary and secondary products and the relations between industrial costs and selling prices, with tables showing the movement of wholesale price indices and indices of the cost of living from 1926 to 1939 for all countries where such figures are available; fluctuations in industrial profits and agricultural income.

The volume shows that, while world economy continues to show a relatively high degree of resistance to depressive factors, the year 1938 as a whole was one of economic stagnation and insecurity and that developments have been influenced very largely by the increasing rate of armaments in the principal countries.

#### *Balances of Payments, 1937.*

The 1937 issue of the annual volume on *Balances of Payments*, published in January 1939, analyses the international payments of thirty-three countries in recent years. An index of the countries covered by previous issues is attached. The entire series of issues of *Balances of Payments* supplies information regarding the international transactions of fifty-nine countries. The countries to which the last issue principally relates include the chief commercial countries of the world.

To facilitate deductions by students of international economic relations from the documentary material contained in this volume, most of the statements for individual countries are compiled on the basis of a special form (the full text of which is included in the volume) sent to all States Members of the League of Nations.

Comparable figures are given in the case of practically all the countries represented for goods, interest and dividends, other services, gold and long-term and short-term capital movements.

Most of the detailed statements in the case of individual countries are accompanied by a summary table of balances of payments, together with the totals of all inward and outward payments for the past few years. To facilitate international

comparison, these balances have also been combined in a table where they are converted into United States gold dollars, at the old parity.

An interesting chapter is devoted to a detailed analysis of recent trends in commercial transactions. It contains an exhaustive study of the changes, in connection with current items in the trade of creditor and debtor countries, and international capital movements from one country to another. Since 1931, the debtor countries have had a large active balance in the case of these items (*i.e.*, transactions in goods and services, plus newly produced gold exported), aggregating for the period 1931-1937 some 5 milliards of dollars (at the old gold parity of the dollar), which has thus been available for reduction of their foreign debt. In addition, some debtor countries have employed funds derived from the sale of foreign holdings or gold reserves in banks for debt reduction. On the other hand, certain debtor countries, particularly those within the sterling block, have built up large foreign exchange reserves in London and New York. Creditor countries in recent years have drawn upon their foreign assets to a greater extent than has been commonly supposed.

A section is devoted to the speculative movements of capital between creditor countries. The effects of tourist traffic, emigrants' remittances, the capital market and gold movements are also analysed.

### *Money and Banking, 1938/39.*

As in previous years, the 1938 edition, published in April 1939, brings together the essential information about currency and banking all over the world. Developments up to March 1939 are reviewed in the first volume, *Monetary Review*, and the facts and figures for forty-four countries on which this review is based are given in the second, *Commercial and Central Banks*.

The *Monetary Review* traces the course of events during 1938 and the first two months of 1939 in foreign exchanges and gold and in currency, credit and Government finance. A chapter is devoted to the growing stability of the French franc; the rally, after a prolonged weakness, in the sterling exchanges; the tightening of exchange control in agricultural countries; and the world production and distribution of gold.

In the section on currency, credit and Government finance, the conclusion is reached that the internal structure of currency and credit on the whole displayed a high degree of elasticity

during the international crisis of September 1938. The prospects of continued economic recovery in the leading countries are also dealt with at length.

There are two important additions to this volume. First, an analysis is made of the deposits and total assets of all organisations conducting banking business in twenty-two countries and shows the steady growth of savings banks and credit institutions of a public character, largely at the expense of commercial and other private banks, and the increase in the proportion of national savings absorbed by public authorities. Secondly, a comprehensive study is made of the decline in the use of the bill of exchange since pre-war days and the causes of this development.

The appended tables summarise on a uniform basis the principal monetary and banking statistics of the world for the past ten years.

#### *Public Finance, 1928-1937.*

This series, issued in a number of separate parts or chapters, one for each country, has been published progressively since 1936 and was completed in January 1939. Each part contains the most up-to-date information at the time of publication, and the complete set represents a unique summary of budget and State accounts, the main items of receipts and expenditure, the Treasury position, the situation of the public debt and, wherever possible, the balance-sheet of State assets and liabilities. Technical notes explain the figures and mark the essential changes which have taken place from year to year. For each country there are notes outlining the general budgetary principles applied, for the benefit of those who desire to make a closer study of the situation in any particular country.

#### *Statistical Year-book, 1938/39.*

The annual issue of the *Statistical Year-book of the League of Nations* was published in July 1939.

The new issue contains, as in the past, the most important world statistics on population, labour, production, trade, transport and finance.

The previous statistical material is brought up to date, and important new material is published regarding, in particular, population, production and foreign exchange.

The tables on population have been enlarged. Two tables relate to the age structure of the population, one of which gives the population by age groups of five years according to the most recent censuses and estimates, while the other gives retrospectively the main age groups—i.e., up to 15 years, from 15 to 64 years (the productive age) and 65 years or more. In the case of women, there is a special group from 15 to 49 years (the age of reproduction).

The object of these tables is to show the differences in the structure of the population in different countries and the changes which have occurred in the last generation, as a result of the decline in the birth rate, the effects of the war, etc. These tables are brought up to date by numerous estimates made subsequent to the censuses, and some of them are published for the first time. Statistics are given showing the fertility by age groups and the gross rates of reproduction. In addition to tables giving general and infant mortality rates, the unprecedented drop in mortality during the last generation is shown in three more detailed tables, two of which are based on life tables. While these tables indicate the past and present position, another on net rates of reproduction shows the changes in the number of population which may be expected to occur if the present conditions of fertility and mortality continue.

In the tables on production, an attempt has been made to give material adapted to present-day problems, such as the production of natural or synthetic substitutes. There are new and highly interesting tables on the development of the production of various derivatives of petroleum and a new table on benzol; some information is also given on the recovery of waste products (rubber, metals, etc.).

#### *International Trade in Certain Raw Materials and Foodstuffs, 1937.*

This volume, which is the third of its kind, gives an account of the movement from one country to another of the commodities mentioned. It is more complete than the earlier editions, and contains provisional statistics for 1937, as well as completed and revised statistics for 1935 and 1936 relating to thirty-eight commodities, which include wheat, sugar, rubber, wood in various forms, hides, wool, cotton, silk, iron and steel, copper and motor spirit. The number of importing countries covered by the various tables is 123, or 98% of the total world trade.

The volume is designed to meet the wishes expressed by business men and others for a collection of statistical information which would enable them to determine world trade movements for certain categories of goods in a manner which was not possible with the former simple comparison of national import and export statistics.

*International Trade Statistics, 1937.*

This volume contains statistical tables of foreign trade of sixty-six countries for the years 1935-1937, and indicates the imports and exports of goods per year and per month, the imports and exports per country, and the imports and exports per principal article, the imports and exports of bullion and specie, and the imports and exports by groups according to international classification (Brussels, 1916).

One characteristic of this edition is the increasing number of tables indicating imports and exports grouped according to a classification drawn up by the League of Nations Committee of Statistical Experts in accordance with the International Convention concerning Economic Statistics, concluded at Geneva in 1928. The adoption of this new classification, which includes a "Minimum List" of 456 goods, was recommended by the Council of the League of Nations in September 1935. Twenty-two countries are now compiling their trade statistics on this new basis. The present volume shows the figures for these countries classified, not only according to the major divisions of the new international classification (50 chapters and 17 sections), but also—in most cases—according to a reclassification by economic groups showing use and stage of production.

The complete text of the classification itself, containing 700 items and sub-items, was also for the first time reproduced in this publication together with explanations regarding its practical application. The advantages of this new classification are that it enables international comparisons to be made on a scientific basis, not only for raw materials, but also for manufactured goods such as machinery, metal products, textiles and chemicals.

*Monthly Bulletin of Statistics.*

This bulletin has continued to appear regularly with additional tables and diagrams on subjects of special interest at the time of publication.

*World Economic Survey, 1938/39.*

The 1938/39 edition of the *World Economic Survey*, the eighth annual publication in this series, will be published in time for the Assembly. The volume is based largely upon the more specialised publications of the Economic Intelligence Service, and upon information supplied by other bodies and, in particular, by the International Labour Office. It presents, both for the economist and for the general reader, an outline of the most important changes in economic trends which have occurred during the past year.

Two main themes run through the different chapters. In the first place, the recession in business activity in the United States and in other important industrialised countries between 1937 and 1938, and the economic and financial policies which were subsequently adopted to meet this recession, had important effects which are examined in their various aspects. The actual course of events in the most important countries is discussed in the first chapter, where a distinction is drawn between the nations with controlled economic systems and those whose economies are still comparatively liberal; the effect of the recession and subsequent recovery upon production, prices and employment is discussed in later chapters; and reference is made to the effects upon the agricultural countries of the fluctuations in the demand for primary products by the industrialised countries.

The second main factor influencing the trend of economic developments has been the increasing tension in international politics, combined with the prosecution of actual hostilities in certain parts of the world and with greatly intensified measures of national military and economic defence in the majority of countries. In the chapter on public finance, attention is paid to the large sums which are being spent on armaments; in the chapter on monetary problems, the banking and financial aspects of this rearmament finance are examined; elsewhere, the effect upon the volume of employment and hours of work and upon international trade and commercial policy is considered.

In addition to these two central themes, attention is paid to a number of special topics. Chapter VIII, for example, is devoted to the sharp conflict which has developed recently in the sphere of commercial policy: on the one hand, the Anglo-American Trade Agreement typifies the attempt of the United States to liberalise trading conditions, while the further development of the German trading methods in South-East Europe



and in Latin America illustrates the close regulation and control of international trade. Chapter VI contains a discussion of the underlying changes in population trends and of the fundamental economic effects of these changes, which are no less important because they are slower and less dramatic.

The final chapter of the *Survey* attempts to assess the main economic effects of trade fluctuations and of increased international political tension. By summarising the main facts, it may help in finding an answer to certain pressing questions : To what extent is the present economic situation dominated by rearmament activity and by the effects of political uncertainty ? To what extent has recovery from the recent recession been the result of rearmament activity ? To what extent is it due to other aspects of economic policy ? How acute, therefore, would be the economic problems which might arise from disarmament or from arms limitation ?

16.

## COMMUNICATIONS AND TRANSIT

It will be remembered that, at its last ordinary session, the Assembly elected the States members of the Organisation for Communications and Transit whose nationals, together with the nationals of the States with permanent seats on the Council, to the number of one for each member of the Organisation, were to form the Committee for Communications and Transit. At its session of January 1939, in accordance with Article 4 of the new Statute of the Organisation for Communications and Transit, the Council appointed the members of the Committee. It was therefore in its new composition that the Committee met for its twenty-second session held from June 6th to 9th, 1939, at Geneva.

It discussed all the questions placed on the agenda of the different organs of the Organisation for Communications and Transit. Among these questions, mention may be made of the following :

### I. MARITIME TONNAGE MEASUREMENT

A special Committee drew up draft regulations, which were communicated to Governments for their observations in 1931. Since then, the relevant texts have been revised by the competent organs with a view to making the technical provisions more explicit and more complete. Other changes have been made in order to bring the regulations into line with technical progress. After examination of this revised text, the Committee for Communications and Transit was of opinion that measures to facilitate their application in the countries concerned should be considered. It therefore submitted the regulations to the Council with the request that it should forward them to Governments, at the same time recommending them to apply the proposed measures.

### II. ROAD TRAFFIC

The Special Committee of Experts for the Codification of Road Law has held several sessions to revise the 1926 Convention relating to motor traffic and the 1931 Convention concerning

the unification of road signals. It has framed draft regulations relating to the international circulation of motor vehicles and cycles and to road signs. It now remains for the Committee of Experts to revise the second Convention of 1926 relating to road traffic and to draw up the formal part of the future convention.

An investigation into the direction of traffic in the different countries is in progress. The Committee hopes to examine the results at its next session.

In 1937, the Rome International Institute for the Unification of Private Law forwarded to the Organisation for Communications and Transit two preliminary drafts of uniform laws on the civil liability of motorists for damage caused to third parties, and on the compulsory insurance of motorists. The Committee had considered setting up a committee of experts to study, with the help of representatives of the Rome Institute and possibly of representatives of the organisations concerned, the preliminary drafts in question. For financial reasons, however, it has not so far been possible to set up this committee. Meanwhile the competent international organisations have expressed their views on the two preliminary drafts and, apart from criticisms as to the substance of the provisions, have also put forward general objections. These objections show that the question of the civil liability of motorists is not ripe for international unification, and that each State should therefore be left to settle the matter for itself. With regard to compulsory insurance, the above-mentioned organisations, while not being altogether opposed to it in principle, have again made certain reservations.

In these circumstances, the Committee does not consider that the time has come to hold an international conference. It might, however, be of real and immediate assistance to legislators, when reforming their internal legislation, to have at their disposal certain studies which might be undertaken by the competent international institutions and might lead to the framing of model laws.

The Committee therefore decided not to set up the proposed committee of experts for the time being, but to suggest to the Rome International Institute that it should use the two preliminary drafts and the preparatory work to provide States with model provisions and documentary material which might serve them as a guide in amending their own legislation. In this connection, the Committee made certain general observations

which the Rome International Institute will no doubt take into consideration. Moreover, it decided to forward to the latter the results of the enquiry it had made, at the Rome Institute's request, among certain Governments of countries which had introduced compulsory insurance, in order that the Institute may take into consideration the replies received from these Governments.

### III. AIR NAVIGATION

The Committee had previously decided that the information collected by the Secretariat on identity papers for the flying staff of air-transport undertakings should be examined by a special committee. This information is such as to enable the Committee to reach certain conclusions already, but it has nevertheless instructed the Secretariat to supplement its study on a few points to which it had drawn attention. The question is not without importance, for, in the absence of special bilateral agreements, the flying staff of air-transport undertakings is usually required to carry passports, which often have to include visas. This is liable to lead to considerable difficulties in the efficient functioning of air-transport services, especially when a member of the crew has to be replaced shortly before a flight or when special flights outside ordinary schedules have to be made.

Another subject which the Committee placed on its agenda at the request of its British member was to some extent the direct consequence of the proceedings of the International Conference for the Exemption from Taxation of Liquid Fuel and Lubricants used in Air Traffic, convened in London last February by the United Kingdom Government. This Conference adopted certain recommendations which were embodied in its Final Act and which refer to the exemption from Customs and other duties of supplies and spare parts required for the maintenance or repair of aircraft and of ground equipment necessary for the establishment and maintenance of air bases and scheduled air services and experimental flights, etc. The Committee instructed its secretariat to collect information on this subject for submission to its Committee on Air Navigation, which will then make a report.

### IV. SIGNALS AT LEVEL-CROSSINGS

This question has been carefully examined by the competent organs of the Organisation for Communications and Transit,

which have drawn up a draft Convention with annexed regulations. In 1938, the Committee for Communications and Transit submitted this text to the Council, which decided to convene an international conference at Geneva in April 1939. Governments of States, Members of the League and non-member States were invited to send representatives. Ten days or so before the date arranged for the opening of the conference, however, only a comparatively small number of Governments had signified their willingness to participate.

The Secretary-General therefore thought it inadvisable to keep to the date originally fixed, and he informed the Governments that the conference was postponed. He then laid the matter before the Council, which, in May 1939, referred the draft Convention for further examination to the Committee for Communications and Transit. The latter studied the replies of the Governments and the observations submitted by them, and was gratified to find that there were no criticisms concerning the draft as regards either technical or legal matters of substance.

The Committee accordingly enquired whether it still seemed expedient to convene a conference as had been contemplated. After careful examination, it decided to propose two alternatives to the Council. In the first place, it would save time if a text representing the final form of the existing draft could be submitted to the States for signature. Another procedure would be to submit to Governments a recommendation urging the adoption of the technical provisions contemplated.

The Committee had no hesitation in pronouncing in favour of the first solution, and accordingly submitted to the Council a draft agreement amended with reference more particularly to the fact that it did not seem necessary to convene a conference.

If, however, the Council thinks it desirable to pass a recommendation urging the immediate adoption of the safety regulations in question, the Committee hopes that it may be possible in the near future to confer on those rules a contractual character.

## V. IMPROVEMENT AND REDUCTION OF COST OF TRANSPORT IN ORDER TO RAISE THE STANDARD OF LIVING

It will be remembered that the Assembly at its nineteenth session (September 1938) adopted a resolution requesting the Economic and Financial Organisation to study, in co-operation with the Transit Organisation, the influence of transport and distribution costs on the standard of living.

In order to assist the Committee for Communications and Transit in the study of those aspects of this vast problem which come within its province, the Secretariat collected preparatory information and drew up a preliminary report. This report contains, in particular, information on tariff measures designed to reduce transport costs with the object of increasing production generally or the production of particular commodities characteristic of certain regions, or of increasing the consumption of primary necessities. Another section of the material deals with the problem of improving transport, the result of which is to raise the standard of living, whether by creating new means of communication or by the use of more up-to-date means of transport, or, again, by the more rational operation of existing means of transport.

The Committee was of opinion that the material upon which it must base any investigation ought to be as complete as possible, and that consequently it could be obtained only from the Governments themselves. In drawing up the questionnaire to be sent to Governments, mention should be made, not only of questions relating to railway rates, but also, in particular, of road transport and the steps taken to create local communications. The questionnaire should also cover the question of reductions of fares for tourists and for workers on holiday, inasmuch as such reductions may likewise influence the standard of living in some countries. Lastly, the questionnaire should contain a request for information as to the reasons why certain measures were taken, and the results to which they have led.

While the Committee agreed to place the question on its agenda and to prosecute its investigation further, it recognised that the problem was a more or less new one, which could not be rapidly solved.

This problem is connected indeed—as was recognised, not only by the Committee, but also by the Sub-Committee on the Standard of Living at its meeting in December 1938—with another far-reaching and complex problem, that of the co-ordination of transport.

## VI. CO-ORDINATION OF TRANSPORT

In 1935, the Assembly, at its sixteenth ordinary session, had to consider one of the cardinal questions affecting communications between the different States—namely, relations between the different means of transport. This question is engaging the

attention of the Governments of all countries, particularly owing to the recent evolution of motor and rail transport and to the growing burden imposed on public finances by the lack of co-ordination between these means of transport. The Assembly referred this problem to the Organisation for Communications and Transit in the belief that a comparison between the steps taken by the different countries might provide useful guidance for the transport co-ordination policies being initiated in a number of States.

The Committee for Communications and Transit has instructed the Secretariat to collect the necessary material, confining its attention for the moment to transport by rail, transport by road, and inland navigation.<sup>1</sup>

In examining at its twenty-first session the results of the enquiry undertaken among Governments, the Committee for Communications and Transit observed that some of the replies received did not cover all three means of transport in question and that several States had not yet replied. It therefore recommended that Governments should be given an opportunity to complete or revise their replies, and that those which had not yet replied should be invited to do so. At that time, the Committee thought that the replies might reach the Secretariat by July 1st, 1939, and that a second stage in the enquiry might then begin in which the information collected could be systematically classified and summarised under the supervision of the proposed committee of experts.

At its June session, however, the Committee recognised that a longer time would have to be allowed for the receipt of information. It further expressed the opinion that, in view of the continual developments in this field, it was most important to have accurate information about what was being done in the different countries. It felt that no hasty conclusions must be drawn from the material collected. It accordingly specified once more that the procedure should be, first, to collect the fullest and most up-to-date material available, then to appoint the committee of experts which, with the help of the Secretariat, would study and classify the material and lay before the Committee a report surveying the present situation in the various countries, after which the Committee could draw its conclusions.

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<sup>1</sup> The results of the enquiry made among Governments on the basis of a detailed questionnaire will be found in document C.347.M.208.1938.VIII (September 26th, 1938).

## VII. FACILITIES TO BE GRANTED TO BROADCASTING REPORTERS

By an Assembly resolution of September 26th, 1938, the Committee for Communications and Transit and the Economic Committee were instructed, each in its own sphere, to undertake the enquiry contemplated by the Committee of Broadcasting Experts and recommended by the International Committee on Intellectual Co-operation. That enquiry relates to the following point amongst others.

The Committee of Experts, recognising how important it is that facilities should be granted to reporters in the exercise of their profession abroad, particularly when the object of their journeys is to promote mutual understanding among nations, recommended that in the granting of personal travelling facilities to reporters (journeys, visas, etc.) the privileges of that kind granted to journalists should be taken as a basis, and that for the professional material of such reporters (lorries, microphones, amplifiers, recording apparatus) a liberal régime as regards transport and Customs formalities should be established, preferably on a basis of reciprocity.

The Economic Committee found that liberal treatment was already general in regard to the formalities required for the Customs clearance of broadcasting reporters' material under the system of temporary admission and the conditions necessary for organising the system of triptychs and Customs passage-books and the details for its operation. It therefore could not but recommend that such treatment should be continued. The Committee for Communications and Transit associated itself with that recommendation and urged that the system of temporary free passage should be allowed in the form of the acceptance, as widely as possible, of triptychs and Customs passage-books or some similar system for the frontier passage of lorries conveying professional material belonging to reporters.

In regard to identification papers and especially visas, the Committee recommended that the Governments should grant to broadcasting reporters duly authorised to proceed abroad in the exercise of their profession, particularly when the object of such journeys was to encourage mutual understanding between peoples, the most generous treatment possible, and, in any case, treatment no less favourable than that enjoyed by journalists in the various countries.



### VIII. WIRELESS STATION OF THE LEAGUE OF NATIONS

The statistics of the station for 1938 show that the aggregate volume of private traffic has decreased considerably. This decrease is principally due to the fact that communications with Shanghai remained impracticable throughout the year. The decision taken in December 1938 to send communications intended for parts of China occupied by the Japanese forces via Tokio, was followed by a certain recovery. On balance, private traffic decreased by 25.7%.

The official traffic in Government telegrams decreased in 1938 by about 34%. This decline was probably due to the more restricted activity of the League of Nations during the year.

Press traffic remained trifling.

The total receipts in 1938 were 347,916.93 Swiss francs (as compared with 464,893.07 Swiss francs in 1937), and the expenditure was 356,858.77 Swiss francs (as compared with 443,510.70 Swiss francs in 1937). There was thus a deficit of 8,941.84 Swiss francs (as compared with a surplus of 21,382.37 Swiss francs in 1937).

The transmitters were completely overhauled during the year. Moreover, with a view to the technical supervision of wireless telephonic transmissions, several measuring and control instruments were acquired and installed at the Prangins transmitting station.

At the League building, the installation for recording on wax was completed and began to be used in September 1938.

As in 1937, the Information Section issued a *Weekly Wireless Bulletin* on the current work of the League. It is given in French, English and Spanish for North America, South America, South Africa, the Far-Eastern countries, Australia and New Zealand.<sup>1</sup>

During 1938, the Secretariat of the League of Nations and the International Labour Office organised a number of special broadcasts, which were successfully received.

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<sup>1</sup> See *Report on the Operation of the League of Nations Wireless Station from January 1st to December 31st, 1938* (document A.10.1939.VIII).

17.

## HEALTH QUESTIONS

The plan of work for the three years of the Health Committee's term of office—*i.e.*, until the end of 1939—which was drawn up by that Committee in the early months of 1937, is being systemically carried into effect.

Last year the Assembly's attention was drawn by its Seventh Committee<sup>1</sup> to the fact that the essential purpose of this plan of work was to help national public health administrations in their efforts to conquer disease and improve health. Its basis is technical and its influence social. It covers three main fields. In the first place, the Committee is endeavouring to introduce some measure of *international uniformity* into the standards, units of measurement, formulæ, terminology and even methods of investigation used in different countries, which often vary widely. Its second field of action is the *campaign against disease*, which is the first duty of health administrations. The third is *medico-social action*, which seeks to provide populations with material conditions of existence in keeping with the principles of hygiene and thus to give free scope for the consolidation and improvement of health.

### I. INTERNATIONAL UNIFORMITY

The need for international standardisation has probably been most keenly felt in connection with therapeutic means of action. It is important to place in the hands of a physician a reliable weapon with a known range of action ; to provide public health authorities with clear evidence for the rejection of any preparations which are below the requisite standard and, finally, to make the results of treatment and prophylaxis comparable from country to country. The Health Committee's efforts have been primarily concentrated on so-called "biological" products, and the *Commission on Biological Standardisation* has been working on these lines for some time past.

1. In the summer of 1938, this Commission organised a meeting of experts to consider what new *hormones* can at present be effectively standardised. The task was no easy

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<sup>1</sup> Report by Dr. I. Clunies Ross (Australia), document A.58.1938.

one, for some hormones are more or less known chemically, others have been isolated only up to a certain point, and others again are still much open to discussion. Once the selection had been made, it was necessary to ascertain that sufficient quantities of the substances intended for use as standards would be available, so as to obviate any delay in the distribution of such standards as were adopted. Nevertheless, the experts succeeded in standardising four new hormones. Their report has appeared in the *Bulletin of the Health Organisation*.<sup>1</sup>

The serologist members of the Commission on Biological Standardisation then met in October 1938, to decide on the adoption of standards for sera not yet included among the twelve already standardised, to provide for the replenishment of the stocks of certain standard preparations, and to reconsider certain of the previously adopted standards whose use had raised new theoretical and practical problems. Their work was chiefly devoted to tetanus antitoxin, anti-snake-venom serum, gas-gangrene antitoxin, anti-pneumococcus serum and anti-anthrax serum. The Commission also adopted a new standard for tuberculin. Its report has appeared in the *Bulletin of the Health Organisation*.<sup>1</sup>

2. For the last year or so, the Health Committee has been dealing with another category of therapeutic agents, *heroic and galenical drugs*.<sup>2</sup> The purpose here is to determine not standards but common rules applicable to these drugs.

The Technical Commission of Pharmacopœial Experts, which was set up in 1937, first of all adopted a programme of studies; including the selection of suitable drugs for examination. Its members have agreed to prepare a number of draft monographs on various drugs, of which the Commission had drawn up a list. The Commission met in May 1939 to examine the draft monographs already prepared, which are at present eighty-five in number. When they have been approved in final form, the Commission hopes to have them adopted by the competent national bodies and ultimately incorporated in an international pharmacopœia recognised by all countries.

3. The Health Organisation has assisted in the preparation of the *Fifth Decennial Revision of International Lists of Causes of*

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<sup>1</sup> Vol. VII, No. 5, October 1938.

<sup>2</sup> Heroic drugs—very active and sometimes dangerous drugs, usually with an alkaloid base.

Galenical drugs—drugs, usually of vegetable origin, prepared in laboratories in accordance with the pharmacopœia.

*Death*, for which the French Government summoned an inter-Governmental Conference from October 3rd to 7th last. These lists are utilised in the preparation of national statistics of causes of death and enable comparisons to be made between the different countries. The technical preparation of the Conference for Revision was entrusted to a Joint Committee set up by the International Institute of Statistics and the Health Organisation.

A *Manuel international des nomenclatures*, which contains the Minutes of the Conference and a list of the terms for inclusion in each of the titles, has just been published under the auspices of the French Government, with the assistance of the International Institute of Statistics and of the Health Section of the Secretariat.

The International Institute of Statistics and the Health Organisation will continue this collaboration in drawing up nomenclatures of diseases, which will enable comparable statistics in hospitals, health administrations and military health services to be prepared.

4. In the field of international standardisation, mention may also be made of the report which the Malaria Commission is at present preparing with a view to standardising *malarial terminology*, and also the work of the Nutrition Commission on the methods to be applied in *nutrition studies*.<sup>1</sup> The Health Committee has organised similar studies on the methods to be employed in investigations undertaken to assess the state of health of a community. The *Health Indices*, which are at present being applied experimentally, constitute the first draft outline of a standard report such as might be used in urban or rural health investigations.

## II. THE CONTROL OF DISEASE

The Health Organisation's fundamental task consists in providing public health administrations with information on the epidemiological situation, on health statistics and on the means of solving their technical problems.

1. The *Service of Epidemiological Intelligence and Public Health Statistics* continues to furnish regularly rapid information on the incidence of the principal diseases; in particular, the Singapore Bureau broadcasts daily and weekly to Eastern countries a radiotelegraphic message for the purpose of informing

<sup>1</sup> See below under "Nutrition".

port health services and ships at sea on the incidence of smallpox, cholera and plague.

As some health authorities in the Near East, on the East African coast and in Australia were unable to pick up this message, which the Bureau accordingly had to send them specially by cable, the Radio-Nations station at Geneva has undertaken since February 1939 to make new short-wave broadcasts once a week. This experiment already seems to be giving the results anticipated. Certain ports situated in the zone of silence have succeeded in picking up this message, and the experiment is to be continued. It will mean an appreciable saving to the Singapore Bureau.

The annual report of the Bureau <sup>1</sup> contains a general account of the incidence of infectious diseases in the Bureau's area in 1938. This survey, which is illustrated by maps and graphs, provides a complete picture of epidemic developments in the Far East during that period. The part played by shipping (infected ships), the quarantine measures adopted by the authorities concerned and the health problems arising out of pilgrimage movements may be specially noted among the subjects discussed in this section of the report.<sup>2</sup>

2. The efforts of the *Malaria Commission* are largely directed towards reducing the cost of collective treatment and promoting the consumption of anti-malarial products in such a way that the largest possible number of patients may benefit by the treatment. The ultimate objective is to check endemic disease, which affects, not only the general health, but also the social and economic welfare of far too many malarial districts.

Investigations have shown that consumption of quinine has remained far below the minimum necessary for treating known cases of malaria. So far, it has not been possible to replace quinine by new synthetic drugs—the use of which has been studied by the Commission—to any appreciable extent. There can be no doubt that the available and potential supply of anti-malarial drugs is now much more abundant than in the past. Indeed, this quantity is greatly in excess of the present consumption capacity of the malarious countries.

Taking the view that the time has now come to approach these problems on practical lines, the Health Committee has proposed the convening of an international conference on anti-malarial drugs. Nineteen countries have approved this proposal.

<sup>1</sup> Document C.H.1421.

<sup>2</sup> As regards the Bureau's activities, see also Section III, "Rural Hygiene", below.

The Committee suggested that the conference should be held at the end of 1940.

A questionnaire covering the present state of production in relation to world requirements, price to buyers and retail prices and methods of distribution has been sent to all health administrations. With the information thus obtained, the proposed conference will no doubt be able to contemplate immediate and effective action by means of agreements between producing and consuming countries.

At the same time, the Malaria Commission is pursuing co-ordinated research into treatment, prophylaxis and epidemiology, the campaign against malaria-carrying mosquitos and the standardisation of terminology used by malaria specialists.

3. In June 1938, the Egyptian Government asked the Health Organisation to undertake work on *bilharziasis* similar to that of the Malaria Commission. It argued that it was manifestly essential, in view of the dangerous spread of the disease, to organise international collaboration in order to ensure preventive action by the administrations concerned.

In response to this request, the Health Committee decided, after consulting a number of experts, to undertake a critical survey of the literature hitherto published on this subject. While the basic principles of preventive action are well known, various local factors exercise a preponderating influence on a disease which cannot be considered as an isolated problem in the health of a community.<sup>1</sup>

4. For many years past, the Health Organisation has been regularly publishing an analytical survey of the results of vaccination against *rabies*. Numerous methods of vaccination have been introduced since that discovered by Pasteur himself, but impartial data are lacking as to the comparative results which may be expected.

This point was emphasised by a conference which met at Bucharest in May 1938. It drew the Health Committee's attention to the need for an international conference to be attended by representatives of anti-rabic institutes throughout the world. Before considering the possibility of convening such a conference, the Health Committee felt that it should have

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<sup>1</sup> Professor R. T. Leiper, Director of the Department of Parasitology of the London School of Hygiene and Tropical Medicine, has kindly consented to be responsible for the direction of this study.

further information as to the main problems calling for attention at the present time in the field of rabies prevention.<sup>1</sup>

Furthermore, the Health Committee is taking steps to organise closer co-operation between the anti-rabic institutes of Central and Eastern Europe. One of the results of this collaboration should be that facilities will be provided for members of the scientific staff of one institute to spend some time at other institutes in order to study their special methods of vaccination.

5. The Health Organisation has, for some time past, been studying the effects of radiological treatment of *cancer of the cervix uteri*. This is the site of cancer which has most frequently occasioned the use of X-rays and radium, while leading to considerable differences of methods and opinions.

The original intention was to publish information about the methods employed in the principal clinics which had favourable results to record. But the conclusion was soon reached that it would be useless to attempt to utilise the data published by the clinics without first standardising the classification of the various stages in the growth of cancer of the *cervix uteri*, the methods of observation and the methods employed by the various clinics in the statistical assessment of recurrences and survivals. The essential purpose of the enquiry now proceeding is accordingly to obtain a uniform statistical presentation of the results of treatment. These are published in annual reports, the third of which appeared in June 1939.

Thanks to this enquiry, it should for the first time be possible to have access to scientific and objective information of very great value to gynæcologists. It may be taken as a model for efforts in the sphere of statistics of diseases to be used as a basis for analysing the degree of success obtained by different methods of treatment.

The Health Committee has also been asked to give a preliminary opinion on a proposal which the Government of the Argentine Republic intends to lay before the 1939 Assembly. The proposal is to set up a Cancer Commission to study the organisation of the campaign against cancer, with special reference to the responsibility devolving upon the public authorities. There can be no doubt that this question is engaging the attention of public health authorities to an ever-increasing degree, and that it presents itself as a real problem of social

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<sup>1</sup> Professor G. Proca, former Director of the Babes Institute at Buchrest, has kindly undertaken to prepare a general report on the question.

medicine. The Health Organisation might undertake work similar to that which it had successfully carried out on such subjects as tuberculosis prevention and the campaign against infant mortality.

The Health Committee declared its readiness to undertake new studies, the exact scope of which will be delimited later on in the light of the supplementary information to be supplied to the Assembly by the Argentine Government. Such studies will be carried out within the limits of the resources available to the Committee, in liaison with international bodies already dealing with questions of cancer.

### III. MEDICO-SOCIAL ACTION

#### *Rural Hygiene.*

*The Inter-Governmental Conference of Far Eastern Countries on Rural Hygiene*, which met at Bandoeng in August 1937, had asked that the Health Organisation, and, in particular, the Singapore Bureau, should collaborate in the action it had suggested, with a view to establishing international co-operation and providing for the comparison of methods and results.

During the two years which have elapsed since the Conference ended, most of the Far Eastern countries have taken steps, in liaison with the Singapore Bureau, to give effect to the Conference's recommendations. Health surveys are in progress or are about to be set on foot—notably in India, the Netherlands Indies, Hong-Kong, the Philippine Islands and Malaya—based on the plan attached to the Conference's report. Burma, India, the Netherlands Indies, Indo-China, Hong-Kong, Malaya and the Philippine Islands are taking steps to organise the campaign against tuberculosis. The same countries, together with Australia, New Zealand and Siam, are working to improve general nutrition and propose to undertake enquiries and technical studies which will be co-ordinated by the Nutrition Laboratories at Coonoor (India). Experts have suggested a plan of campaign against pneumonia, and the Singapore Bureau organised this year an international course of malariology, not only for doctors but, as the Bandoeng Conference had asked, for anti-malaria engineers. This course, which was held in Malaya in April and May, was attended by thirteen doctors and twenty-five members of rural engineering services, of Ceylon, Indo-China, the Netherlands Indies, Malaya, the Philippine Islands and Siam.



At Geneva, work is chiefly being devoted to the preparation of the *European Conference on Rural Life*.<sup>1</sup>

So far as the Health Organisation is concerned, the essential part of this agenda is that dealing with medico-social policy. This item covers direct action by the national administrations to raise the standard of health, and hence the lines which it is desirable, and even necessary, that such action should follow. From the technical point of view, it is a synthesis of the results obtained by the Health Organisation in its studies on rural hygiene and sanitation, nutrition, housing and rural planning.

The basic document, prepared at the instance of the Health Committee, is entitled "General Survey of Medico-social Policy in Rural Areas". This deals in turn with the part played by preventive medicine and curative medicine, the question of social insurance, nutrition, housing and physical training in relation to rural populations. It also discusses the need for technical training for doctors and male and female nurses, so that hygiene may constitute an integral factor in the life of rural populations.

Moreover, the Health Section is preparing for the Conference a general medico-statistical survey covering vital statistics, general mortality, infant mortality and the incidence of the principal diseases in rural areas in Europe. Particular prominence is given in this documentation to tuberculosis and typhoid fever. This publication will appear in August 1939.

Lastly, as regards the technical problems of nutrition and housing, which form separate items of the Conference's agenda, the Health Committee has mobilised the resources of its technical commissions to prepare documentation, which will be dealt with below.

The Health Committee has received a communication from the Medical Adviser of the British Colonial Office, to the effect that the Governments of Kenya, Tanganyika and Uganda desire to hold another *Pan-African Health Conference* at Nairobi in March 1940. This proposal gives effect to one of the conclusions of the Conference held at Johannesburg in 1935 as to the desirability of holding conferences of this kind at regular intervals.

Having been consulted in a preliminary and informal manner, the Health Committee expressed a favourable view and offered its technical assistance.

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<sup>1</sup> See page 98.

### *Nutrition.*

At the end of 1937, the Technical Commission of the Health Organisation had laid down general principles for the composition of a correct diet calculated to ensure optimum growth and body maintenance.

During the past year, it began to deal more particularly with the conditions peculiar to the Far East and tropical and sub-tropical countries. At a first meeting, held in August 1938, it found that the standards laid down in its previous reports were universally applicable, and that they could be expressed in terms of the dietary habits of the various peoples. In certain parts of the world, however, they must be regarded as representing an ideal to be aimed at though not within immediate reach. With particular regard to the Far East and to tropical countries, it is essential to obtain fuller information on dietary habits, the incidence of diseases connected with deficiencies and the nutritional value of local foods. The Commission reached certain conclusions regarding national programmes of action with a view to improving nutrition, and undertook to co-ordinate and assist in the carrying out of surveys by the various competent institutions. Thus it is taking part in the execution of the work recommended by the Bandoeng Conference (1937).

The studies carried out up to date by the League of Nations have shown that, even in the most progressive European countries, there is a lack of exact information as to the conditions governing the diet of populations. It is therefore essential that exhaustive investigations should be carried out in order to determine the extent and real scope of defects of diet. In carrying out these investigations the national authorities will have at their disposal a handbook entitled *Guiding Principles for Studies on the Nutrition of Populations*.<sup>1</sup> This handbook will be placed at the disposal of the European Conference on Rural Life, as well as a monograph which is the outcome of investigations conducted by Dr. E. J. Verzar-McDougall on behalf of the Technical Commission on rural dietaries in Europe and on bread in several European countries.

It may further be mentioned that the Commission was asked last August to suggest emergency diets for use in the event of a serious shortage of foodstuffs, as in the case of refugee populations.

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<sup>1</sup> Document C.H.1401, published in April 1939. This handbook was prepared under the auspices of the Technical Commission by Dr. J. Bigwood, Professor at the Free University of Brussels.

### *Housing.*

Coming to the third stage of its programme, the Housing Commission speeded up its work with the object of preparing for the European Conference on Rural Life technical documentation on the special questions arising out of *rural housing and planning*. This resulted in the publication of a report<sup>1</sup> entitled *Rural Housing and Planning*, which examines in turn the conditions for the rational planning of the rural dwelling and its outbuildings, with due regard to the health, comfort and work of the agriculturist and of the housewife. It next deals with the organisation of the communal life of the village : public works, buildings and the equipment required to provide for the common needs of a more or less closely settled community. It then turns to questions which are of concern alike to villages and to isolated farms : supply of drinking-water, gas and electricity, and disposal of sewage and refuse. The last section describes forms of propaganda at the disposal of health administrations to popularise the reforms recommended, and to awaken a desire for such reforms in rural populations.

The Housing Commission met again from June 26th to July 1st, 1939, to consider, with the assistance of a number of experts, the health aspects of *planning* in the broadest sense of the term. These comprised the planning of space (including town and country planning), the planning of water resources, including water supply and sewage disposal, measures against air pollution and the problems of hygiene connected with the organisation of communications and transport.

The Commission took advantage of this meeting to review the whole of the work on the hygiene of housing accomplished in the last three years, and consider its future plan of action.

### *Physical Fitness.*

At a first meeting in July 1938, the rapporteurs of the Commission on Physical Fitness drew up a programme involving the collection of information and laboratory research on physiology, anthropometry and psychology considered from the point of view of physical fitness. They also drew up the text of a form for the medical examination to which all persons taking part in physical education should be subjected.<sup>2</sup>

Their report has been communicated to the health administrations and national committees on physical education, and

<sup>1</sup> By M. Vignerot, Chief Engineer of the Service du Génie rural of the French Ministry of Agriculture.

<sup>2</sup> See *Bulletin of the Health Organisation*, Vol. VII, No. 4.

they are meeting at Geneva in August 1939 to examine the observations received from those bodies and to draw practical conclusions with regard to the Commission's future work.

#### IV. OTHER WORK

Pursuing its studies on the *teaching of hygiene*,<sup>1</sup> the Health Committee considered the question of the museums which, at schools of hygiene, are used for the instruction of future public health officers. It is proposed to place at the disposal of these museums the epidemiological and demographical material possessed by the Health Section. This would be presented in the form of tables, maps and graphs, which the Section would periodically bring up to date.

The Health Committee also decided to study the *training of visiting nurses*. To this end, it intends to enlist the assistance of directors of institutes and schools of hygiene and directresses of schools of nursing. The studies are to be carried out in 1940 in liaison with the Advisory Committee on Social Questions, which is dealing with the training of persons intending to take up social work.

As regards the *campaign against narcotic drugs*, the Health Committee, in virtue of Article 10 of the 1925 Opium Convention and Article 11 of the 1931 Convention, has submitted to the Council conclusions recommending that the international Conventions should be applied to a new substitute of morphine—*désomorphine*—and to preparations containing *extract and lincture of Indian hemp* (with the exception, however, of those which are capable only of external use).

The Committee transmitted to the Advisory Committee on Traffic in Opium and Other Dangerous Drugs a study, for which the latter had asked it, on the comparative pharmacodynamic properties of certain drugs used as substitutes for morphine—namely, *eucodal*, *dicodide*, *dilauidide* and *acedicone*.

At the Advisory Committee's request, the Health Committee undertook investigations into the question whether *codeine* is liable to produce addiction. Having noted a report on the subject,<sup>2</sup> it requested the Permanent Committee of the Office international d'Hygiène publique to examine the question as well as the international preventive measures which might ultimately be considered desirable.

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<sup>1</sup> See *Report on the Work of the League, 1937/38, Part I, page 104.*

<sup>2</sup> See *Bulletin of the Health Organisation, Vol. VII, No. 3.*

18.

TECHNICAL COLLABORATION BETWEEN THE  
LEAGUE OF NATIONS AND CHINA

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I. ANTI-EPIDEMIC WORK

Last year,<sup>1</sup> an account was given of the circumstances in which, and the reasons for which, technical collaboration between the League of Nations and China was mainly concentrated on anti-epidemic work. This work was carried on throughout 1938, and a resolution adopted by the Assembly last September provided for its continuance in 1939.

The organisation established in the autumn of 1937 was maintained in force, not only until October 31st, 1938, as had been originally intended, but for two months more.

No. 1 unit continued its work in the north-west of China, and Nos. 2 and 3 units in the provinces assigned to them, until, at the end of the year, military developments obliged them to retire to the south and south-west.

The beginning of summer (1938) was marked by a recrudescence and extension of the cholera epidemic, chiefly in central and southern China; the epidemic even spread to northern China, where cholera had hitherto been virtually unknown.

*Supply of Vaccines.*

The resulting serious situation led the Chinese Government to make, through the Head of the Public Health Administration, an urgent appeal to the League of Nations for gifts of anti-cholera vaccine. Though operating at maximum capacity, the Government's own laboratories and those of the Epidemic Commission's units were unable to produce the necessary quantities. The Government therefore asked for the urgent despatch of six million doses.

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<sup>1</sup> See *Report on the Work of the League, 1937/38, Part I, pages 108 et seq.*

This telegraphic appeal reached the Secretariat on July 7th. Before the end of that month, the Secretariat had received promises of gifts of more than eight million doses.<sup>1</sup> One million doses were also purchased from the Pasteur Institute, Hanoi. All these gifts, in accordance with the Chinese Government's instructions, were sent to the interior of China.

*Work of the Epidemic Commission.*

The task of the Epidemic Commission in China was to assist the Chinese Government in the urgent and difficult campaign against the epidemics which it was feared would follow mass migration from the theatre of military operations. The Commission was to advise the Chinese Health Services in organising this campaign, and, with the help of the material with which it had been specially supplied, to assist, and where necessary replace, the technical services.

The work done by the units, which have been mainly staffed by Chinese, has enabled the foundations of a permanent and more up-to-date health organisation to be laid, by giving practical demonstrations of the various elements of which it might be composed. It has afforded the Chinese technical staff an opportunity of better practical training, and familiarised them with modern scientific methods. It has helped to establish more effective co-operation between the authorities and the central, provincial and local administrative officials, with whom the Commissioners have maintained excellent relations, and from whom they have received all necessary assistance. Support has also been given by private organisations—the Red Cross Society, missions and other humanitarian institutions—and, with their full co-operation and that of the Chinese authorities, it has been possible to initiate far-reaching schemes for popular health education. These efforts have already given definite results.

	Doses
<sup>1</sup> Cantacuzène Institute, Bucharest . . . . .	1,000,000
School of Hygiene, Zagreb . . . . .	500,000
Turkish Ministry of Health . . . . .	1,000,000
Staatenserum Institut, Copenhagen . . . . .	213,000
<sup>1</sup> Ministry of Health, Cairo . . . . .	100,000
Public Health Administration, Ceylon . . . . .	500,000
Australian Health Department . . . . .	500,000
Malay States . . . . .	500,000
American Red Cross . . . . .	3,000,000
Bacteriological Institute of Buenos Aires . . . . .	200,000
Central Committee for Assistance to the Civil Population of China, The Hague . . . . .	60,000
Government of Burma . . . . .	50,000
Government of Indo-China . . . . .	500,000
<b>Total . . . . .</b>	<b>8,123,000</b>

From the point of view of the future, these results alone would justify the despatch of the Commission to China. But there are others more immediate and more tangible in their effects. The large quantities of material and stores supplied to the Commissioners have enabled them to cope with situations which would otherwise have been desperate and might have had the gravest consequences. Extensive schemes of *vaccination* against smallpox, typhus and cholera have been successfully undertaken; hundreds of thousands of persons have had injections; more than two tons of quinine were used to fight malaria in the southern and central districts.

Each of the units has set up *hospitals*, where infectious patients can be isolated, and opened *laboratories* (which are to be permanent), where vaccines and sera are being produced in ever larger quantities. In these institutions, Chinese employees find opportunities of improving their knowledge.

The various units had another important problem to solve—that of hygiene among *refugees*. Arriving, as they often do, in compact masses in districts which are increasingly overpopulated, where it has been impossible to organise suitable accommodation for them, these refugees, who are in a state of complete destitution, are especially exposed to disease because their physical resistance has been weakened. As they come from infected areas, they may be germ-carriers, and most of them are verminous. The Commissioners, accordingly, have had to open quarantine stations, arrange premises for observation, isolation, delousing, baths and douches, as well as instal sanitary conveniences, arrange for drinking-water supplies, and see that the camps are always kept clean.

Attention should be drawn to the invariably difficult and frequently dangerous circumstances in which the Commissioners and their staff have had to work, owing to the continual changes in the local situation and the bombing from the air which the places where they work have frequently undergone. Recently, these bombardments have become so frequent that work has been seriously hampered.

The information received from China shows that this large-scale enterprise has helped greatly to impress on the mass of the population the value of the material assistance given to China by the League of Nations during this time of misfortune.

*New Plan of Action.*<sup>1</sup>

At the Chinese Government's request, the Assembly placed in the 1939 budget a new credit of 1,500,000 francs, enabling the Epidemic Commission's work to be continued for another year.

The plan of action which was drawn up was somewhat modified, as a result of negotiations with the Chinese Government, before being accepted by the latter. This involved some delay in its application, but meanwhile the experts sent by the League of Nations, who had agreed to remain at their posts, endeavoured, with a reduced staff, to maintain a degree of activity which, although necessarily limited, was sufficient to prevent the results of past efforts from being compromised.

Under the new plan, the units, which had previously operated with their own staff and material under the Commissioners' direction, have disappeared. The League experts, whose numbers have been materially reduced, become exclusively advisers placed at the Chinese Government's disposal. Their duties have been determined by the Epidemic Commission, which is to continue in existence. One of them, acting as the Secretary-General's direct representative, also exercises administrative supervision and control over the funds placed at his disposal in China. The Chinese Government assumes full responsibility for the work, and, for this purpose, it has organised units composed of Chinese personnel, equipped for anti-epidemic work proper and for the necessary measures of hygienic improvement. These units are intended to reinforce the existing services and to support them, with the help of the advisers placed at the Government's disposal by the League.

There is every reason to suppose that, even with a reduced staff, the anti-epidemic mission of the League of Nations will,

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<sup>1</sup> According to the plan adopted, the anti-epidemic work this year is being carried on chiefly in Yunnan, Kweichow, Szechwan, Hunan, Shensi and Kansu.

In Yunnan, the campaign against malaria is particularly intense, owing to the wide prevalence of that disease. Drastic steps must also be taken to prevent the spread of malaria and other diseases, owing to the concentration of labour at various localities in the province which are already infected and especially along the new road to Burma. The danger is particularly great because big movements of population towards the west are to be expected, and the problems connected with the health of refugees which the Epidemic Commission had to solve last year have again to be dealt with this year.

In Shensi and Kansu, typhus and relapsing fever are the chief dangers. Attention also has to be paid to cattle-plague, which has caused severe losses among the cattle.

In Kweichow and western Hunan, a new epidemic of cholera is feared, and the necessary steps have been taken to meet the situation.

Practical measures have been taken to provide the motor transport necessary for the efficient working of the organisation.



as last year, prove capable of carrying out the difficult task that has been entrusted to it.<sup>1</sup>

## II. OTHER FORMS OF TECHNICAL COLLABORATION

The wide scope of technical collaboration in the sphere of health has necessarily reduced the assistance given to China in the way of the normal technical collaboration afforded to that country by the League in the past few years. This collaboration has not, however, been entirely discontinued. Two engineers<sup>2</sup> continue to supply the Chinese authorities with any advice they may desire, particularly regarding road questions, the utilisation of new navigable waterways, irrigation, etc., with which they are particularly qualified to deal as a result of their professional training and Far Eastern experience.<sup>3</sup>

At the Chinese Government's request, an expert<sup>4</sup> who had already spent eighteen months in China immediately before the outbreak of hostilities has returned to continue the mission which had been entrusted to him, and which had to be interrupted owing to those events. This mission is to advise the competent authorities with a view to maintaining, as far as possible, the recent development of agricultural co-operative societies in China. The Chinese Government places great hopes in the improvement of the conditions of life of the rural population through these societies.

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<sup>1</sup> As last year, the Peninsular and Oriental Steamship Co. agreed to convey to China free of charge the goods entrusted to it.

The Compagnie française des Messageries maritimes continued to grant a 50% reduction in fares to members of the mission travelling on its ships. It also conveyed medical material up to 20 tons free of charge from Marseilles to Hai-Phong.

The Société de Chalandage et de Remorquage en Indochine (S.A.C.R.I.C.) of Hai-Phong undertook to receive and store the material intended for the mission. It also placed its administrative organisation free of charge at the Secretariat's disposal. The League of Nations simply refunds the disbursements actually made by that firm.

<sup>2</sup> M. Bourdrez and M. Maux.

<sup>3</sup> At the time of printing of this chapter, the news was received of the tragic death of M. Bourdrez. For the text of the tribute paid to his memory by the President of the Council on May 27th, 1939, see the Minutes of the fifth meeting of the hundred-and-fifth session of the Council (*Official Journal*, May-June 1939).

<sup>4</sup> Mr. W. K. H. Campbell.

19.

EUROPEAN CONFERENCE ON RURAL LIFE

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The last Assembly had arranged that the European Conference on Rural Life should be held in July 1939. At the request of several Governments, it has been postponed to October 16th, 1939.

Good progress has been made in preparing the general technical documentary material of the Conference and in obtaining material on the different countries from the respective Governments. A number of these monographs have already been printed.

I. GENERAL TECHNICAL DOCUMENTARY MATERIAL<sup>1</sup>

The *International Institute of Agriculture* has supplied the following six studies :

*Some Aspects of Agricultural Overpopulation in Europe ;*

*The Land Tenure System as a Basis for the Organisation of Rural Life in Europe ; Agrarian Reforms and their Economic and Social Consequences for Rural Life ;*

*An Enquiry into the Capital invested in, and the Income obtained from, Agricultural Undertakings in Europe, based on the Accounts for the Period 1927/28 to 1934/35 ;*

*Land Reclamation in Europe ;*

*Conditions and Improvement of Agricultural Production, Stock-raising and Rural Industries ;*

*Principal Aspects of the Action taken by Public Authorities in connection with Agricultural Markets and Production.*

The *International Labour Office* has prepared the following studies:

*Co-operative Action in Rural Areas ;*

*Organisation of Leisure in Rural Life ;*

*Sickness Insurance and Rural Medical Assistance.*

The *Economic Organisation of the League of Nations* has supplied the following studies :

*Report on Systems of Agricultural Credit and Insurance, by M. Tardy ;*

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<sup>1</sup> See also page 88.

*Survey of National Nutrition Policies ;  
Urban and Rural Housing.*

The *International Institute of Intellectual Co-operation* has prepared a memorandum entitled *Intellectual Problems of Rural Life*.

A memorandum on *The Technical Education of Agriculturists* has been drawn up by M. van der Vaeren, former Secretary-General of the Ministry of Agriculture, Brussels.

The *Health Organisation* has prepared studies on :

- Medico-Social Policy ;*
- Health in Rural Districts ;*
- Tuberculosis ;*
- Typhoid ;*
- Rural Planning.*

As regards *nutrition problems*, the Health Organisation will place at the Conference's disposal the results of the work accomplished up to date by its technical organs, supplemented, where possible, by the results of enquiries dealing with actual consumption, the state of nutrition, and health conditions in certain typical rural areas.

## II. NATIONAL MONOGRAPHS

The national monographs of the various countries contain a number of photographs illustrating the descriptive portions of the text.

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20.

## SOCIAL QUESTIONS

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### I. INTRODUCTION

#### *Administration and Organisation.*

The Advisory Committee on Social Questions held its third annual session from June 19th to July 1st, 1939.<sup>1</sup>

It examined the working and results of its collaboration with correspondent members, and, having come to the conclusion that that collaboration was not fully satisfactory, drew up a number of suggestions with a view to its improvement; for the success of the work of the Committee on Social Questions depends to a large extent upon the existence of satisfactory collaboration with the international organisations which constitute the group of correspondent members.

#### *Review of Social Questions.*

In 1937 and 1938, the Assembly pronounced in favour of the publication by the Secretariat of a review of social questions, which is intended to provide information, not only about the work of the League of Nations in the social sphere, but also about the experience of the various countries and the results achieved by them. In 1938, the Assembly voted the funds required, so that the review might appear in 1939. In consequence of the reorganisation of certain services in the Secretariat, it has not yet proved possible to begin issuing this publication.

#### *Work of the Child Welfare Information Centre.*

The Information Centre has pursued its task of collecting and distributing current material relating to child welfare. It has proceeded with its series of publications, which are: the *Legislative and Administrative Series*, an annual summary<sup>2</sup> of

<sup>1</sup> The Committee consists of representatives of at most twenty-five Governments; twenty-four seats are at present filled. The appointments of all the members expire in 1940: all are renewable. The mandates of the correspondent members, who now number twenty-eight, will also come to an end in 1940.

<sup>2</sup> Summary of the *Legislative and Administrative Series* of documents of the Child Welfare Information Centre published in 1938 (document C.72.M.33.1939.IV).

which deals with all the texts published during 1938 ; the annual report on Child Welfare<sup>1</sup> which is drawn up on the basis of information supplied by Governments ; and the *Information Series* itself, which consists of notes on questions likely to be of special interest to the Advisory Committee.

The Centre has replied to the requests for information which it has received both from Governments and from individuals and private organisations. Many of those requests deal with the laws governing the manifold aspects of child welfare in the various countries. The Centre has come to the conclusion that research into legislation, carried out in each particular case to meet a passing request, takes up an amount of time disproportionate to the value of the results obtained, these results not being always entirely satisfactory. To overcome this defect, the Centre is now building up a "Card Index of the Legal Aspects of Child Welfare" ; this index will make it possible to trace without difficulty the text of any law relating to child welfare, and will therefore facilitate the comparative study of the laws of different countries.

## II. PROTECTION OF CHILDREN AND YOUNG PEOPLE

The tendency to broader and more general treatment of the subjects studied by the Advisory Committee has been even more marked during the past year. The discussions in the Advisory Committee and the information obtained from Governments reflect the deep concern prevailing in many countries and the desire, not only to protect children and young people, but also generally to raise the standard of living of the family and the population as a whole, and to ensure a greater stability and security of the social framework.

### *Position of the Illegitimate Child.*<sup>2</sup>

The position of the unmarried mother and her child has retained the Committee's attention for many years. Last year, several separate studies on the legal aspect of this subject were combined into one report,<sup>3</sup> and the information was supplemented wherever necessary.

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<sup>1</sup> Annual report on Child Welfare submitted to the third session of the Advisory Committee on Social Questions (June 19th, 1939) (document C.91.M.50.1939.IV).

<sup>2</sup> Documents C.O.S./B.43, 43(a), 43(b) and 45.

<sup>3</sup> Document C.70.M.24.1939.IV.

This year, the Committee discussed the social position of the unmarried mother and her child on the basis of a preliminary report on the subject. The scope of the problem—that is to say, the geographical distribution of illegitimate births, the various circumstances affecting illegitimate births and the main consequences of illegitimacy—were discussed from many angles. The Committee approached the measures for the protection of the unmarried mother and her child from a very broad point of view. The relation of illegitimacy to the problem of mental deficiency, the influence of housing and social conditions, and the protection of the young worker were some of the main points specially considered. Before the end of the year the second volume of the study of illegitimacy, dealing with the social aspects of the question, will be published. In 1940, the Committee will therefore have before it the complete study, and will be in a position to discuss conclusions and recommendations.

*Principles adopted in the Organisation and Administration of Welfare Work among the Young, including Social Assistance.*<sup>1</sup>

This study was placed on the agenda of the Committee in 1938 with a view to the collection of information on the organisation of welfare work and social assistance for the young in the various countries. An outline of the study was sent to a selected number of Governments, with a request for information. This year, owing to the complexity of the problem, a new outline was prepared, taking into account the observations of Governments and the discussions in the Advisory Committee, which limited the enquiry to certain definite points. It was also decided to extend the study in question to all the countries represented in the Advisory Committee.

The Committee was particularly anxious to obtain information on certain questions of a general character, such as the part taken by public authorities in social work, the tendency of the smaller organisations to become merged in bigger organisations, the extension of social measures from destitute persons to a larger proportion of the population, and the methods adopted to estimate the progress made.

*Training of Persons engaged in Social Work.*<sup>2</sup>

This subject was placed on the agenda of the Advisory Committee last year. The object in view is to collect informa-

<sup>1</sup> Documents C.Q.S./B. 41 and 46.

<sup>2</sup> Document C.Q.S.38.

tion and to place it at the disposal of Governments and private organisations which may be interested in the question. The idea of giving social workers some form of special training for their duties is comparatively new, and has not developed everywhere to the same extent. The study is therefore directed specially to countries which have well-developed systems of training of some years' standing; but it also includes countries which are seeking to organise schemes of training particularly suited to their immediate requirements. The information will be obtained from persons selected in various countries who are known to have expert knowledge on the subject, either by reason of their official position or as a result of personal experience.

The study is divided into two parts. Part I will be a description of the development and present organisation of such services as employ social workers. Part II will be concerned with particulars of the training available at universities and social Service schools, and of the various circumstances relating to such training. In particular, information will be given as to the relations between theoretical and practical work and the ways in which practical training is organised.

Whilst it is contemplated that the enquiry should be primarily concerned with the training of social workers, Public Health nurses are included in so far as they are definitely engaged in social work. The special provisions made for the training of voluntary workers for certain branches of social work are also included in the enquiry. In countries where experiments are being made to give some form of special training to officials engaged in work of a social character in the public services, the Committee will endeavour to obtain full particulars on such experiments. The Committee will discuss the question in detail in 1940, when the information requested from various sources is available.

#### *Family Desertion.<sup>1</sup>*

Since the year 1933, the Advisory Committee has been interested in this question, which has also been much discussed in the Fifth Committee of the Assembly. This year the Committee considered a preliminary study concerned with legal provisions relating to family desertion in various countries. The difficulty of solving this question on an international basis owing to the divergencies in the law of the different countries was fully

<sup>1</sup> Documents C.Q.S./B.44, 44(a), 44(b), 44(c), 44(d).

realised by the Committee. Among the many aspects which have been more fully investigated are the legal position of foreigners in the different countries, conflicts of law, the international effect of penal judgments, the recognition of the extra-territorial effect of accessory penalties, the international recognition of previous convictions, the question of extradition and, lastly, the universality of punishment.

In conclusion, the Committee was invited to submit its observations on the most salient points of the problem. It was proposed that these should be examined by a Sub-Committee, which would in turn make further proposals as to the lines on which the study on family desertion should be pursued.

#### *Mui Tsai.*

The suggestion has frequently been made in recent years that the Advisory Committee should deal with the question of Mui Tsai as a child welfare question, the Mui-Tsai system being a special form of the placing of girls in families in certain regions of Asia. The question has been included in the next agenda of the Advisory Committee, which will proceed to examine preliminary documentary material on the subject to be obtained from the Governments concerned.

### III. TRAFFIC IN WOMEN AND CHILDREN

#### *Summary of Annual Reports on Traffic in Women and Children and in Obscene Publications.*

The summary of the 1937/38 reports<sup>1</sup> on traffic in women and children has been published as a separate document from that giving the reports on obscene publications.<sup>2</sup> It was based for the first time on the new questionnaire drawn up in 1938. Approximately double the amount of information has been submitted this year in comparison with the years preceding the re-arrangement of the questionnaire: fifteen more countries have sent in annual reports as compared with last year, and twelve additional reports of colonies, protectorates, etc., were received. In particular, detailed replies were given to the question which had been added in order to obtain information on new administrative measures relating to venereal diseases.

<sup>1</sup> Document C.68.M.30.1939.IV, and Addenda I and II.

<sup>2</sup> Document C.69.M.31.1939.IV, and Addenda I and II.



### *Ratification of Conventions.*

The international Conventions for the Suppression of the Traffic in Women and Children and in Obscene Publications, concluded in 1921 and 1923 respectively, are now almost universally applied. Further progress can therefore only be slow, as the countries which have not yet ratified have refrained from doing so for reasons which in most cases are still valid.

As to the 1933 Convention for the Suppression of the Traffic in Women of Full Age, one further ratification (Brazil) has been received since the last Assembly. In all, twenty-five countries are parties to this Convention, which is still very far from attaining the universality of the Conventions of 1921 and 1923.

### *Prevention of Prostitution.*

The discussion of a draft report on the prevention of prostitution was the most important part of the Advisory Committee's deliberations regarding traffic in women and children. The ideas underlying this report can be summarised as follows. The law and the police, if backed by public opinion, can hamper the exploiters of prostitutes, and can prevent them from recruiting women by force or fraud, or from artificially expanding the demand by advertisement and suggestion. Education, the moral protection of young workers of both sexes, and the development of health and social services can weaken some of the primary causes of both the demand and the supply.

The report was drawn up in collaboration with the International Labour Office together with a French and a Danish expert. It deals very fully with the problem of the mental state of the prostitutes and the reasons for treating this state on the basis of the results obtained from the use of psychiatric methods. The chief departure from the habitual methods is the emphasis laid in the report on the demand for prostitutes. Far from considering this demand as a static element, the report points to the possibilities of decreasing the demand by reducing artificial stimuli making men potential clients of prostitutes.

Attention is also drawn to certain recent discoveries in the medical field which are likely to lead to a great diminution, in the future, of one of the venereal diseases, but also, as has, moreover, already been observed in certain ports, to increased frequentation of prostitutes.

It was felt by the Advisory Committee that the moment had come for a thorough study of the social aspects of venereal disease to be made.

### *Rehabilitation of Prostitutes.*

The enquiry into the rehabilitation of prostitutes, which has been carried out during the past five years, has been concluded. Two volumes, *Prostitutes, their Early Lives*<sup>1</sup> and *Social Services and Venereal Diseases*,<sup>2</sup> have already appeared. A third volume on methods of rehabilitation, including the general conclusions and recommendations which were arrived at by the Advisory Committee, will appear shortly.

The enquiries have led to four general conclusions—namely, that the difficulties of rehabilitation have not been exaggerated, that no one single method can be upheld as the best, that special rehabilitation services can only lead to successful results if they are based on wider social measures, and that the difficulties of rehabilitation will remain formidable as long as the demand for prostitutes enables women to earn more in prostitution than in other spheres of life. Apart from these general conclusions, the Committee adopted a number of specific recommendations on rehabilitation which can be summarised as follows :

Prostitutes can be rehabilitated most easily when they have not been long in the profession.

The success of attempts at rehabilitation depends on the personality and insight of the social worker who directs them, but also on knowledge. Control should be exercised by trained social workers only.

The attempts to combine social assistance with medical treatment for venereal disease have led to particularly promising results.

Methods of treatment should be elastic, and should not be decided upon until the individual case has been investigated. Rehabilitation services should include, apart from institutions which take prostitutes for long periods, social service bureaux to help them to find suitable employment, and hostels where girls and women can lodge.

Prostitutes should be examined by mental specialists in order that adequate treatment may be given to those who need it. The new start should be made in fresh surroundings. Institutions should not impose too rigid a discipline, nor a way

<sup>1</sup> Document C.218.M.120.1938.IV.

<sup>2</sup> Document C.6.M.5.1938.IV.

of living too opposed to ordinary life. Women should be trained for work for which they are suited, and should not be obliged to return to the occupations which they followed before they became prostitutes. In view of the high earnings of prostitutes, normal employment for them should offer a reasonable standard of living. After-care is desirable ; but awkward enquiries may easily destroy the whole effort of rehabilitation.

Measures of rehabilitation can never themselves solve the problem. They need to be supplemented by preventive action.

#### *Conference of Central Authorities in Eastern Countries.*

The 1938 Assembly expressed regret at the unavoidable delay in bringing into effect the recommendation of the Bandoeng Conference that the League of Nations should establish an Eastern Bureau to assist the participating countries in their fight against the traffic in women and children in that part of the world. The Assembly invited the Advisory Committee to consider the proposal again in greater detail. The questions to be studied by the Committee were to include the place at which this bureau should be set up, the financial provisions necessary for its establishment and maintenance, questions of staff, etc.

The Committee unanimously came to the conclusion that the present situation in that part of the world in which the activities of the Bureau would be carried out was not favourable for proceeding with the examination of this question. In the circumstances, neither the despatch of an expert adviser to study on the spot the creation of such a bureau, nor the discussion of details for the establishment of the bureau, would be of any practical use. This position taken by the Committee was strengthened by the fact that the Chinese delegation, which, in the past, had been pressing for the creation of this Bureau, had stated that no normal operation of such a bureau could be expected at present. The Advisory Committee therefore decided to adjourn the discussion but to keep the subject on the agenda, with the intention of reopening the debate as soon as the situation in the Far East permitted.

#### IV. ASSISTANCE TO INDIGENT FOREIGNERS

The Committee of Experts set up in virtue of a decision of the Council dated May 20th, 1931 (sixty-third session), was entrusted with the study of two questions :

- (1) Assistance to indigent foreigners ;
- (2) The execution of maintenance obligations abroad.

In previous years, the Committee held three sessions at which, after the consideration of practical measures for the purpose of improving the precarious situation of indigent foreigners, by international action, it came to the conclusion that, for the moment, a multilateral convention was unlikely to prove an effective international instrument. In 1938, the text of a model Convention, accompanied by a number of recommendations, was submitted to the Council as a possible basis for the conclusion of multilateral or bilateral agreements. During the past year, the Committee has not met. However, a more complete study of measures connected with assistance to indigent foreigners recommended by the Committee is in course of preparation.

The second question referred to the Committee of Experts was the fulfilment of maintenance obligations abroad. The Committee of Experts decided to postpone consideration of this problem until such time as the International Institute for the Unification of Private Law, which is preparing a draft international Convention with commentaries, has completed its work.<sup>1</sup>

## V. PENAL AND PENITENTIARY QUESTIONS

The Assembly instructed the Secretary-General to obtain information and opinions during the current year on the following questions with a view to a discussion by the Assembly in 1939 :

### *Position of Aliens and Stateless Persons released from Prison.*

The recommendations of the Seventh International Conference for the Unification of Penal Law held at Cairo in 1938 on the position of aliens and Stateless persons released from prison and the possible ways of improving the precarious situation of an alien or Stateless person who leaves prison were discussed by the Assembly in 1938. Feeling that a large number of legal and social questions were involved, the Assembly instructed the Secretary-General to convey to the Members of the League the information contained in the report<sup>2</sup> on penal and penitentiary questions he had submitted to it, together with the Minutes of the First and Fifth Committees summarising the

<sup>1</sup> See also "Work of the Rome International Institute for the Unification of Private Law", page 152.

<sup>2</sup> Document A.24.1938.IV, pages 11 to 14.

discussion which had taken place on the position of aliens and Stateless persons released from prison. The Secretary-General, by a Circular Letter addressed to the States Members of the League on December 7th, 1938, asked them to submit their observations on the proposals made by the seventh International Conference for the Unification of Penal Law and by the delegates in the First and Fifth Committees of the Assembly in 1938, so as to enable the Assembly to come to a decision in 1939 as to the action to be taken.<sup>1</sup>

A number of Governments have responded to this enquiry. Their replies will be communicated to the delegations to the forthcoming Assembly in a separate document.

#### *Treatment of Witnesses and Persons awaiting Trial.*

At the request of the 1937 Assembly, the Secretary-General consulted certain technical organisations as to the feasibility of proposals for the purpose of protecting witnesses and persons awaiting trial against the use of violence or any other form of physical or mental constraint. The Assembly in 1938, however, considered that the study of this problem was not so far advanced that conclusions could be drawn at the present stage. It therefore instructed the Secretary-General to invite the technical organisations concerned with penal and penitentiary questions and interested in the subject to continue their enquiries, and to submit a joint memorandum summarising all the various suggestions on these questions to the Assembly in 1939.<sup>2</sup>

The Secretary-General invited the International Penal Law Association, the International Law Association, the International Penal and Penitentiary Commission, the International Bureau for the Unification of Penal Law and the Howard League for Penal Reform to send representatives to attend a meeting at Geneva in order to draw up the joint memorandum for which the Assembly had asked.

The representatives of three of the organisations consulted, the International Bureau for the Unification of Penal Law, the International Penal and Penitentiary Commission and the Howard League for Penal Reform, met in June and considered a memorandum<sup>3</sup> prepared by the International Penal and Peni-

<sup>1</sup> Document A.70.1938.IV, pages 2 and 3.

<sup>2</sup> Document A.70.1938.IV, page 3.

<sup>3</sup> Document A.12.1939.IV.

tentiary Commission on the measures which might be proposed to protect witnesses and persons awaiting trial against the use of violence and other forms of physical or mental constraint, and the observations of the technical organisations collaborating with the Assembly on penal questions and interested in the matter. A joint memorandum summarising all the various suggestions made was drawn up at the meeting and will, as usual, be communicated to the delegations to the forthcoming Assembly in a separate document.

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21.

TRAFFIC IN OPIUM AND OTHER DANGEROUS DRUGS

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A. WORK OF THE ADVISORY COMMITTEE ON TRAFFIC  
IN OPIUM AND OTHER DANGEROUS DRUGS

The Advisory Committee on Traffic in Opium and Other Dangerous Drugs held its twenty-fourth session at Geneva from May 15th to June 12th, 1939.

I. PREPARATORY WORK FOR A CONFERENCE TO CONSIDER  
THE POSSIBILITY OF LIMITING AND CONTROLLING  
THE CULTIVATION OF THE OPIUM POPPY AND THE PRODUCTION  
OF RAW OPIUM AND CONTROLLING OTHER RAW MATERIALS  
FOR THE MANUFACTURE OF OPIUM ALKALOIDS

As last year, the Committee sat for a large part of its session as a Preparatory Committee for the examination of this question.

At its twenty-third session it had adopted, on the proposal of its Preparatory Committee, a body of essential principles which might serve as a basis for a future convention, and which it incorporated in its report to the Council on the preparatory work for the Conference.<sup>1</sup>

This report was communicated to the Governments for their observations by a letter from the Secretary-General dated October 12th, 1938, and the Secretariat was instructed to prepare, on the basis of their replies, a draft of the principal articles which might appear in the future convention.

The Preparatory Committee thus had before it both the Governments' replies and a draft prepared by the Secretariat. The Committee was then able to draw up a preliminary draft convention in which only a few points were reserved.

According to the preamble, the object of the convention is to suppress the abuse of dangerous drugs and to supplement the provisions of the International Conventions of 1912, 1925 and 1931.

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<sup>1</sup> Document C.221.M.123.1938.XI.

*Principles of the Draft Convention.*

The production of raw opium is to be limited to recognised world requirements of opium for :

Medical and scientific purposes ;

The manufacture of prepared opium until the use of opium for smoking has been finally suppressed, and subject to certain provisions regarding limitation before final suppression which are to be incorporated in the future convention ;

Other non-medical forms of internal consumption at present authorised in certain countries.

Recognised world requirements as regards raw opium are to be determined in accordance with a system of estimates (annual and supplementary) supplied by the Governments.

Estimates are to be examined by an international controlling authority.

The controlling authority will be required to fix for each producing country, on the basis of the estimates, the annual quantities to be produced and exported.

The controlling authority's allocation to producing-exporting countries of the quantities to be exported will be based either on a quota system or on a free order system, whichever may be chosen.

Producing countries will undertake :

Not to sow with opium-poppy an area greater than would be required to produce the quantity of raw opium allocated to them for production, and

Not to export more than the quantity allotted to them for export.

On their side, the Governments of countries importing raw opium will undertake to buy in the course of a year the quantities estimated for that year (binding estimates), and not to import in the course of any given year raw opium in excess of their estimates for that year. This assurance of a market for their production will compensate producing-exporting countries for the sacrifices imposed on them by the convention as regards the limitation of their production and export.

World production and international trade will thus be limited to the total world requirements determined on the basis of



estimates. The system is to be completed by the formation of stocks for the purpose of ensuring the proper working of the convention.

The *regulating stocks* are designed to enable producing countries to meet variations in opium production due to the fact that, independently of the intentions of producers, such production, being of an agricultural character, is often subject to considerable fluctuations. These stocks will make it possible to meet export requirements in all circumstances and thus to ensure the operation of the convention. The controlling authority will see to it that the stocks are kept within the required limits.

*Government opium stocks* consist of raw opium kept under State control for the use of the military, naval and air forces and for the defence of the country. The maintenance of such stocks is optional, and they will not be subject to any external control.

The *emergency stocks*, which may be maintained both in producing and consuming countries, are intended to meet exceptional requirements, either on the part of the Governments for purposes other than consumption by the armed forces of the country, or on the part of manufacturers or wholesalers. Their maintenance is optional, and their level will be determined by the Governments in consultation with the controlling authority.

Lastly, a system of national and international control would ensure the strict application of the convention.

#### *Points reserved in the Draft Convention.*

One of the principal points which the Committee was unable to settle, and for which it has drawn up alternative articles, is whether exports should be allocated according to a quota system or a free order system.

Under the quota system a fraction, fixed in advance, of the total world requirements of opium for any given year would be allotted annually to each producing country. This fraction would represent for each country concerned its share in the total export trade of all producing countries (export quota). The consuming countries would indicate the country whence they proposed to obtain the opium required, and the controlling authority would as far as possible take that indication into account when allotting quotas to the producing countries.

The effect of a universally adopted quota system would be to give to all producing countries some assurance of stability as regards both production and exports.

Under the free order system, Governments, in submitting their estimates of raw opium requirements, would also specify the country or countries whose opium they desired to purchase. They would have the certainty of obtaining from such country or countries the whole quantity required. Under this system, producing countries might find it necessary to compete for orders.

Although the Committee was obliged to submit alternative texts on the matter, the divergence of views seems to have narrowed. The representatives of the producing countries members of the Committee (Bulgaria, Greece, Turkey, Iran, Yugoslavia) held a joint meeting at which they expressed themselves in favour of the quota system, with the exception of the representative of Iran, who reserved his Government's opinion.

Another question on which alternative texts were submitted was that of prepared opium.

In general, it was agreed that the result of the future convention should be the abolition of the use of prepared opium and a corresponding decrease in the production of raw opium. It was considered necessary that the draft convention should contain provisions for the reduction, over a number of years, of the quantity of raw opium required for the manufacture of prepared opium. Nevertheless, different methods were proposed for achieving this common end.

On the one hand, the representatives of certain States urged that, if this total abolition is to be achieved, the convention must contain an undertaking to make an annual reduction according to a fixed percentage of the sale of prepared opium or raw opium intended for consumption in the form of prepared opium, this annual reduction leading to the total cessation of the use of prepared opium by a given date. At the same time, the cultivation of opium intended for conversion into prepared opium, or imports of raw opium intended for the same purpose, should be reduced until they completely disappeared. Stocks of raw opium intended for the manufacture of prepared opium should also be gradually reduced so as to cease to exist by the specified date.

Other members of the Committee pointed out that the practice of selling prepared opium in conformity with the strict rules applied by the State monopolies constituted the best means of restricting the use of prepared opium as far as was possible in present circumstances. Total prohibition would not put an end

to the consumption of opium for smoking, because smokers would obtain supplies from the illicit traffic. For that reason an alternative draft article was suggested under which, five years after the date of entry into force of the new convention, the Council of the League of Nations would appoint a commission to decide whether the convention had produced results such that illicit traffic in opium no longer constituted a serious obstacle to the effective suppression of the use of prepared opium. If the commission's decision were in the affirmative, the countries concerned would undertake to bring to an end, within ten years following the date of that decision, the importation of opium for manufacture into prepared opium or for sale for consumption in the form of prepared opium.

Lastly, a compromise was suggested providing also for the constitution of an international commission, but with a different mandate. A date for the total abolition of the use of prepared opium would still be fixed, and the countries concerned would agree not to exceed the period stated unless an international commission appointed by the Council of the League of Nations after a specified number of years unanimously decided to extend the period in question.

The Committee postponed to its next session the examination of the question of regulation of raw opium prices, but it reached agreement on a certain number of principles which should be embodied in the convention. These principles are as follows;

The convention should contain provisions relating to the regulation of prices.

The prices should not be fixed in the actual convention, but the procedure for this regulation and for revision should be laid down, together with the principles to be applied when prices are fixed and revised.

These various points will be considered more fully at the next session in the light of the documents and observations submitted. The Secretariat has been asked to continue to study the question of prices in collaboration with experts from the producing countries.

Lastly, the Committee discussed the scope of the measures of limitation and control to be applied to the poppy-plant as a raw material for the extraction of opium alkaloids.

The representatives of Turkey and Yugoslavia were in favour of the total prohibition of the extraction of opium alkaloids from the poppy-plant, for reasons of principle. The producing

countries consider that when they are asked to limit an important agricultural production for humanitarian purposes, they cannot consent that the place left vacant through their sacrifices should be filled by others thanks to the application of new processes.

The representatives of Poland and Hungary pointed out, on the other hand, that the Preparatory Committee had already opposed this prohibition, and that the small quantities of drugs hitherto extracted from poppy-straw could not have any far-reaching effect on the production of raw opium. They also stressed the fact that a country could not be forbidden to use, for internal purposes, raw materials produced on its own soil for the manufacture of products of vital importance which, in the event of an international crisis, it might not be able to obtain from abroad.

Acting on the suggestion of the representatives of Turkey and Poland, the Committee decided that, in order to reconcile the different points of view, it was better, for the time being, not to insert any article in the draft convention, but to leave the matter to be settled by the Advisory Committee at its next session, or by the Conference itself.

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The Committee decided to ask the Council to transmit its report to the Governments, together with the annexed draft articles, with the request that they should send in their observations by March 1st, 1940, at latest. The Committee also recommended that the draft articles should be submitted in April 1940 to a committee of jurists, in order to be put into the proper legal form, taking into account the observations made by Governments. The draft articles thus drawn up will be submitted to the Advisory Committee at its next session (May 1940), with a view to further examination and the preparation of a complete preliminary draft convention to be laid before Governments before the Conference is convened.

## II. EXAMINATION OF ANNUAL REPORTS<sup>c</sup> FOR 1937<sup>1</sup>

### *General Reports.*

The Advisory Committee examined the annual reports for 1937, and was glad to note the progress made in the matter of laws and administrative measures applicable to narcotic drugs in the various countries.

<sup>1</sup> The following sections are dealt with in document C.202.M.131.1939.XI.

The Committee noted an increase in the manufacture of opium alkaloids from poppy-straw. In the opinion of several members, the position brought about by such an increase, at a time when the Committee is concerned with the limitation of the production of raw opium calls for serious consideration.

The Committee's attention was drawn to new *draft* regulations in Mexico for the treatment of addicts. According to this draft, addicts may in the future acquire in the licit trade, by means of an authorisation issued either by individual medical practitioners or by official dispensaries, the quantity of drugs prescribed for them by doctors under the supervision of the authorities responsible for controlling addiction. Several members of the Advisory Committee emphasised the drawbacks of the measures contemplated in Mexico. The United States representative asked the Mexican Government to postpone until next year any decision on this draft law, so as to enable the Committee to go into the whole question again at its next session. The Committee expressed the hope that the Mexican Government would give favourable consideration to this request.

The Committee learnt with much satisfaction of the results of the mission of the Director of the Opium Section to a large number of Latin-American countries. It welcomed the lively interest taken by those countries in the technical and humanitarian activities of the League of Nations. All these countries are in favour of the closest technical collaboration with the organs of the League, but they wish to be more fully informed as to the nature of the problems with which those organs are occupied, and as to the results which countries may expect from their activities. The competent authorities laid stress on the need for facilitating their task by the supply of the essential documents in Spanish, and by giving fuller publicity to the technical activities of the League. They also urged the value of sending technical League missions more frequently to that part of the world. The Committee expressed its confidence that there would be increased collaboration with the countries of Latin America, which would be reflected both in a greater interest in the ratification of conventions and the communication of annual reports and in the furnishing of information essential to the Committee's work.

#### *Reports concerning Prepared Opium.*

Despite certain improvements, the situation revealed by the reports concerning prepared opium in those Far-Eastern

territories in which the use of opium for smoking is still temporarily authorised continues to be a matter of concern to several members of the Committee. Its investigations led it to believe that the difficult problem of the price of raw opium was worth further examination in the light of the observations submitted as early as 1930 by the Commission of Enquiry into the Control of Opium-Smoking in the Far East. That body had stated in its report that the policy of high prices had rendered smuggling most profitable, and that Governments should take steps to reduce prices to a level sufficiently low to make it cease to be so ; prices might be restored to their former levels later when smuggling ceased to be such a serious problem.

The Committee was interested to hear a statement by the representative of Portugal with reference to Macao. The Portuguese representative recalled the fact that, when information indicating the gravity of the situation in that territory under Portuguese sovereignty had been brought to the notice of the Advisory Committee in 1938, the Head of the Portuguese Government had immediately instructed Professor Caeiro da Matta to make a statement on his behalf at the meeting of the Permanent Central Opium Board in August 1938 ; that statement was later supplemented at the session of the Board held in April 1939. While making the most express reservations as to several of the points on which the Board had based its impressions, and also as to their legal validity, the Head of the Portuguese Government had declared himself in agreement with the Board that, in spite of the Portuguese Government's efforts, the situation in Macao, as elsewhere in the Far East, was not yet satisfactory and might excite apprehension. The Portuguese Government had accordingly ordered the most searching enquiry into the facts brought to its notice, with the firm intention, if necessary, of punishing anyone found guilty. The enquiry would shortly be completed, and the Permanent Board and the Advisory Committee would at once be informed of the findings of the report.

### III. APPLICATION OF THE INTERNATIONAL OPIUM CONVENTIONS

#### *Ratifications and Accessions.*

The total number of sovereign States parties to the Hague Convention (1912) is now fifty-nine. Since the Committee's last session the Government of Haiti has acceded to the Geneva

Convention of 1925. Fifty-four sovereign States are now parties to this instrument. Sixty-three sovereign States are parties to the Limitation Convention of 1931.

The Committee was gratified at the prospect of the application in the near future of the 1936 Convention for the Suppression of the Illicit Traffic in Dangerous Drugs. Nine Governments have deposited their instruments of ratification with the Secretariat of the League of Nations: Belgium, Brazil, Canada, China, Greece, Guatemala, Haiti, India and Roumania.

The Turkish representative on the Advisory Committee announced that the Turkish National Assembly had ratified the Convention, and that he hoped that the instruments of ratification would be deposited shortly.

The deposit of those instruments would fulfil the conditions for the entry into force of the Convention.

*Results of the Application of the Opium Conventions as shown by the 1937 Statistics of World Manufacture, Exports and Consumption.*

The examination of the statistics for 1937 relating to the five principal drugs (morphine, diacetylmorphine, cocaine, codeine and dionine) shows that there has been a very marked increase in the world manufacture of these drugs. As regards world consumption, there has been a considerable decrease for morphine and an increase for all the other drugs. World stocks show a very large increase for morphine and codeine; stocks of dionine also rose, though to a lesser extent. Stocks of diacetylmorphine and cocaine have remained almost unchanged. The total volume of exports shows a marked decrease for morphine, cocaine and diacetylmorphine, but a considerable increase for codeine and dionine.

The manufacture of morphine for all purposes (consumption of morphine as such and conversion into other drugs) continued to increase fairly rapidly. Taking as a basis the *last year* of the period 1931-1935, during which manufacture and legitimate world requirements amounted on an average to 29 tons, we find morphine manufacture in 1937 (43.3 tons) had increased by 12.4 tons, or more than 40% as compared with 1935 (30.8 tons). There was a similar increase in the manufacture of codeine, of which 28.8 tons were manufactured in 1937, as against 19.9 in 1935—*i.e.*, an increase of 45%. This shows that about three-quarters of the increase in the amount of morphine

manufactured as compared with previous years was converted into codeine.

Another noteworthy feature is the increase in world stocks of morphine and codeine. Whereas in 1936 stocks in the hands of retailers decreased, during 1937 an increase in the stocks held by manufacturers and wholesalers took place. World stocks of morphine increased from 7.7 tons in 1936 to 10.2 tons in 1937, and of codeine from 8.1 tons in 1936 to 10.6 tons in 1937.

Exports of morphine, diacetylmorphine and cocaine declined. If the total volume of exports of the three drugs in question is considered, it will be found that whereas exports in 1926 amounted to approximately 23.1 tons, in 1937 they amounted to only about 2.3 tons, or 10% of the total exports in 1926.

To sum up, the Committee found that the position during the year 1937 in regard to the manufacture and use of the five principal drugs was the same as in the six previous years, that the amounts lawfully manufactured corresponded to the legitimate world requirements and that the upward trend of manufacture recorded in 1936 and 1937 was mainly due to the need felt by nearly all countries to keep larger reserves in order as far as possible to guard against the difficulties which might arise in the event of normal supplies being restricted or cut off.

#### IV. ILLICIT TRAFFIC AND CLANDESTINE MANUFACTURE

The report of the Sub-Committee on Seizures reviews the situation as regards the illicit traffic in 1938 and the first three months of 1939. The survey of the illicit traffic, approved by the Advisory Committee, covers the majority of countries and territories in which the illicit traffic is a major problem. The Sub-Committee expresses the regret, however, that it could not make a complete survey of the situation in relation to the whole world in the absence of information concerning the situation in 1938 in respect of certain countries in which the illicit traffic is a problem, particularly China, India, Iran, Japan and Macao. In spite of the difficult situation, however, China has furnished statistics of seizures in 1938.

A number of Governments report a reduction in the illicit traffic (or at any rate in the number of prosecutions for illicit trafficking)—for instance, those of the Netherlands and Turkey—but it cannot be said that this reduction is general.

In the United States of America, the trend of prices in the illicit wholesale traffic and other circumstances indicated that



the demand of the traffic continued to be met, except perhaps for raw opium and prepared opium. During the later months of 1938 there were many indications in several areas of an appreciable curtailment of the supply of narcotics available for the illicit traffic. In Canada, the number of convictions remained stationary. In France, the number of arrests has been increasing for several years, which indicates the energetic steps that are being taken to suppress the illicit traffic.

The tendencies noted last year as regards sources of supply and the disposal of products in the illicit traffic have in general been maintained. Heroin seizures in the United States, particularly in the Atlantic coast area, show that Europe continues to be the base for the introduction of contraband heroin. Large seizures in France indicate that that drug maintains its popularity with addicts. Generally speaking, the figures show that there has been no reduction in the quantity of heroin seized, whereas there was a decline in the amount of morphine and cocaine found in the illicit traffic.

The number of seizures made and the drastic character of the punitive measures taken indicates the determination of Governments and police forces to make their co-operation even more effective.

In the Balkans, cases of clandestine manufacture continue to be reported. Palestine, one of the channels for the illicit traffic into Egypt, has also been used in one case, at any rate, as a transit point for the United States.

There is still a lack of precise and complete data as to the position in China. The Shanghai Municipal Council reports that Shanghai has become a distributing rather than a manufacturing centre. Foreigners engaged in the international traffic in Shanghai are closely watched by the authorities of the Settlement. In many cases their source of supply seems to be Tientsin.

The situation at Hong-Kong remains serious. That city appears to be a point where the lines of communication of the illicit traffic in the direction of the United States and Europe converge.

## V. SITUATION IN THE FAR EAST

After hearing statements on the subject of drug-addiction and illicit traffic in the Far East, and examining in detail the situation in that part of the world, the Advisory Committee observed with regret that, according to those statements, the

situation seemed to be still as serious as it was when, by its 1938 resolution, the Committee brought it to the notice of the Japanese and Portuguese Governments—without receiving a formal reply in regard to the specific questions raised.

The Committee noted, however, with satisfaction, the Portuguese representative's statement that the Head of the Portuguese Government, in response to the appeal made by the Committee at its 1938 session, had immediately ordered a thorough official enquiry to be made into the situation at Macao, and that the results of this enquiry would be communicated to the Committee.

It proposed that the text of the Minutes, together with the relevant passage in its report to the Council on the situation in the Far East, should be communicated to Governments. In this report<sup>1</sup> will be found the important statements made by the representatives of China, the United States of America, and Portugal, and the views expressed by the other members of the Committee in connection with the situation in the Far East.

## VI. DRUG ADDICTION

Some years ago the Advisory Committee recommended the despatch of a questionnaire to Governments concerning the question of drug addiction. A study by the Secretariat<sup>2</sup> of the replies received from Governments was laid before the Committee at its twenty-fourth session. The first part of this study contains a comparative survey by continents of the replies received on the extent of addiction, and deals with establishments for the treatment of addicts and with the problems raised by the replies received from Governments. The second part summarises the various replies and analyses the information on addiction found in the annual reports.

This study shows that the Advisory Committee does not at present possess sufficient data on the amplitude of the problem of addiction, on its real extent and on the quantities of drugs consumed annually by addicts. The gravity of the problem varies in different continents and in different countries. It also presents a different aspect according to whether addiction is due to manufactured drugs or prepared opium. The centralisation of information might help future enquiries, and in its

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<sup>1</sup> Document C.202.M.131.1939.XI.

<sup>2</sup> Document O.C.1769.

study the Secrétariat quoted by way of example the following measures taken by certain countries :

- (1) Compulsory notification by the doctor of cases of drug addiction to a central authority ;
- (2) Registration of drug addicts ;
- (3) Compulsory or voluntary treatment of drug addicts.

The Committee's discussion revealed two distinct schools of thought, the one regarding the addict as a sick person and the other as a delinquent.

According to the adherents of the first school of thought, drug addiction is a chronic social disease. Its treatment should therefore be adapted to its peculiar character. Hospital treatment cannot provide for more than a very small percentage of all addicts, and does not fulfil the need for prolonged treatment under proper supervision. Social hygiene dispensaries with visiting nurses might perhaps be set up. This system would have the advantage of enabling a larger number of addicts to be treated without removing them from the everyday life of the community.

For those to whom the drug addict is a delinquent, addicts can only be adequately treated in in-patient establishments. This is the method employed in the United States—a method whereby, with international co-operation, police control is allied to medico-social efforts.

In conclusion, the Committee decided to draw the attention of Governments to the discussion on drug addiction, and to request them to forward any observations they might wish to make or fresh information they might possess on this question. It also instructed the Secrétariat to carry out a comparative study of the legal and practical standpoint taken at present in the various countries regarding drug addiction and the addict, this study to include both addiction to manufactured drugs and addiction to prepared opium.<sup>1</sup>

The Committee also noted with great interest the work done by the Health Committee on the question of codeine addiction. Before examining this problem anew, the Committee wishes to await the results of the consultation with the Permanent Committee of the Office international d'hygiène publique at Paris, for which the Health Committee has asked. That consultation

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<sup>1</sup> In carrying out this task, the Secrétariat will have recourse to official sources of information and to scientific studies, and will have power to consult experts, who, so far as countries represented on the Advisory Committee are concerned, will be selected in agreement with the respective members of the Committee.

relates to the question of the harmfulness of codeine as a drug liable to produce addiction, as well as to the international preventive measures which might ultimately be considered desirable, account being taken of the fact that codeine is already subject to certain provisions of the 1925 and 1931 Conventions.

The Advisory Committee learned that at its thirtieth session, May 1939, the Health Committee had adopted the following resolution :

“ The Health Committee,

“ Having considered the report of the Permanent Committee of the Office international d’hygiène publique :

“ Notes that desomorphine (dihydrodesoxymorphine) is liable to produce addiction ;

“ And consequently informs the Council of the League of Nations of this fact and recommends that the provisions of the Geneva Opium Convention of 1925 shall be applied to desomorphine ;

“ And, in virtue of Article 11 of the 1931 Convention for limiting the Manufacture and regulating the Distribution of Narcotic Drugs, brings the above to the notice of the Secretary-General of the League of Nations. ”

The Advisory Committee thus noted that desomorphine came automatically within the scheme of Article 11 of the Convention of 1931.

Some members of the Committee pointed out that the drug had certain therapeutic properties which did not appear to justify the immediate prohibition—urged by other members—of manufacture until a more exhaustive examination had been made to enable its importance from a medical standpoint to be ascertained. The Advisory Committee recommended in consequence that an extract of its report to the Council should be communicated to Governments.

## VII. QUESTIONS RELATING TO INDIAN HEMP (CANNABIS)

The Advisory Committee adopted a report from its Sub-Committee on Cannabis which provides the basis for three important enquiries, the results of which should enable the Committee in due course to submit to Governments recommendations for practical action in the campaign against cannabis addiction.

These enquiries will relate : (1) to the question of the intoxicating or non-intoxicating character of hemp-seeds ; (2) to

the resin content of the various kinds of hemp coming from the different parts of the world where this plant is grown, in order to ascertain whether such cultivation is a danger from the point of view of addiction; (3) to the effects of cannabis addiction.

The discussion of the report of the Committee's expert, Dr. J. Bouquet, on the question of cannabis-addiction as a whole provided, an opportunity of estimating the results already achieved, and of laying down the lines of the Committee's future activities. Accordingly, the present session has marked an important stage in the evolution of this problem.

#### VIII. CONVOCAATION OF A CONFERENCE FOR THE ADOPTION OF AN ADDITIONAL PROTOCOL TO THE 1931 CONVENTION TO EXTEND CERTAIN PROVISIONS OF THAT CONVENTION TO DIHYDROCODEINE AND ITS SALTS

At its twenty-second session, the Advisory Committee took note of a draft supplementary Protocol designed to bring paracodine under the provisions which the Limitation Convention applies to codeine. In a letter dated February 19th, 1938,<sup>1</sup> the Secretary-General communicated this draft Protocol to Governments for their observations.

On January 16th, 1939 (hundred-and-fourth session), the Council took note of the report of the representative of Greece, Rapporteur, informing it that the great majority of the replies received by the Secretariat were in favour of the draft Protocol, although in the opinion of certain Governments it required amendments of form. The Rapporteur also informed the Council that certain Governments had suggested that the term "paracodine" should be replaced by the scientific term "dihydrocodeine (of which the substance registered under the name of paracodine is a salt)", and other Governments that the Protocol should also cover the salts of that substance.

In view of the Government's observations and the Council's decisions, the Secretariat drew up a new draft Protocol, which it submitted to the Advisory Committee at its twenty-fourth session. The Committee adopted the draft Protocol generally, with certain amendments, subject to possible modifications of a juridical nature, and submitted it to the Council at its session in May 1939, requesting the Council to communicate it as soon as possible to Governments so as to enable them to study it

<sup>1</sup> C.L. 20.1938.XI.

before the date of the Conference, which has been fixed for October 2nd, 1939.

The Council, at its meeting of May 26th (hundred-and-fifth session), decided that this new text of the draft Protocol should serve as a basis for the work of the Conference, and instructed the Secretary-General to submit it to Governments as soon as possible.

## B. WORK OF THE SUPERVISORY BODY

The Supervisory Body communicated to Governments on November 23rd, 1938, its statement of the estimated world requirements of dangerous drugs in 1939.<sup>1</sup>

In drawing up the statement for 1939, which contains data for 177 countries and territories (colonies, dependencies, protectorates, mandated territories, etc.), the Supervisory Body had to examine the estimates relating to sixty-seven countries and 102 territories. In addition, it established estimates itself for five countries and three territories which had not forwarded their own.

An encouraging feature of the progress achieved by the Supervisory Body at its recent sessions is the increase in the number of countries supplying their own estimates. In 1933 only forty-five countries had furnished estimates, whereas in 1938 the figure had risen to sixty-seven. The same progress may be observed in the case of territories: in 1933 estimates were supplied by eighty-three territories, and in 1938 by 102.

Conversely, the number of countries and territories for which the Supervisory Body had to prepare estimates has steadily decreased; from fifty-four in 1933 (twenty-three countries and thirty-one territories), it had fallen in 1938 to eight (five countries and three territories).

A second proof of the progress achieved is to be found in the manner in which estimates are submitted by Governments. The greater part of these estimates and of the accompanying explanations are prepared with the greatest care. In its statement for 1939, the Supervisory Body observed that, particularly in regard to the Latin-American countries, the position had improved considerably. Only one Latin-American country failed to submit its estimated requirements of drugs for 1939. The Supervisory Body attributes this improvement largely

<sup>1</sup> Document C.488.M.331.1938.X1. "Estimated World Requirements of Dangerous Drugs in 1939".

to the influence of the League Secretariat mission sent to those countries in the Spring of 1938.

A third indication of the improvement in the situation is the fact that estimates more and more closely correspond to the statistics. Governments are increasingly endeavouring to bring their estimates down to the level of real requirements. Whereas the excess of the figures concerning the conversion of morphine into other drugs was 53% in 1934 (the first year of full application of the Limitation Convention), it had fallen to 12% in 1937.

The Supervisory Body examines the estimates furnished by Governments for the purpose of preventing excessive estimates, and it is therefore entitled to ask for such information and particulars as it considers essential to enable it to obtain complete estimates or to clear up any particular point. In 1938 the Supervisory Body considered it necessary to ask for additional information or explanations from nine countries in respect of their estimates for 1939. In this sphere also there has been a very marked improvement, for in 1934 the Supervisory Body had to ask for information of this kind from twenty-eight countries.

### C. PERMANENT CENTRAL OPIUM BOARD

The Board held its usual meetings in August and November 1938 and April 1939.

The annual report for 1937<sup>1</sup> is of special interest because it reviews the progress made during the past ten years. It shows that, year by year, the escapes into the illicit traffic of drugs manufactured by licensed factories have grown fewer and have all but ceased. Unfortunately, this cannot be said of raw materials and especially opium. In general, however, it may be said that the 1925 and 1931 Conventions have reduced the amounts of drugs manufactured in licensed factories to the amounts needed throughout the world for medical and scientific requirements. The report mentions as the chief danger which threatens future work the political changes that are taking place. It is anxious that the great advance made in the international control of narcotics should not be endangered by political disagreements.

These are general considerations. The details of work done during the past decade reveal a great increase in range and complexity. At the beginning, the Board dealt with one Convention

<sup>1</sup> Document C.482.M.325.1938.XI.

with twenty-seven parties. Now it acts under two Conventions with sixty-three parties adhering to one or the other, apart from a hundred colonies and dependencies. The statistical reports have risen from 1,021 to 1,531. They constitute a body of worldwide information at once detailed, accurate and regular, allowing of comparisons between one country and another and one year and another on a complicated subject bristling with scientific, administrative and legal difficulties.

A summary of the decade's statistics of morphine and its principal derivatives is also encouraging. The manufacture of all those drugs liable to the most dangerous abuse—morphine (unconverted), diacetylmorphine and cocaine—fell in the early years; and during the last few years of the decade it has been more or less stable. On the other hand, the manufacture of less dangerous drugs—codeine and ethylmorphine—has shown a tendency to rise. Thus it may be claimed that the efforts of Governments, the Board and other international bodies have not only reduced the legitimate manufacture to medical and scientific requirements, but, within that manufacture, have also been successful in restricting those substances which present the greatest danger.

The report contains, as usual, detailed figures of the manufacture, stocks, consumption and seizures in the previous year. The most striking fact is a heavy increase in stocks of morphine and codeine—probably due to the fear of war. One other point deserves special mention. For some time, the Board has been gravely concerned at the situation in Macao. At its request, the Prime Minister of Portugal readily instituted an enquiry, the results of which—the Board is glad to learn—will be available shortly.

The full statistics of all Governments for any one year are not ready for publication until the late autumn of the following year. This is a long interval; and, as an experiment, the Board intends this year, if possible, to send to the Council just before the meeting of the Assembly, in addition to the full report which appears in December, a short report stating, so far as they are available, the provisional figures for the previous calendar year, together with some comments.

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22.

INTERNATIONAL ASSISTANCE TO REFUGEES

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I. REORGANISATION OF REFUGEE WORK

In accordance with the previous Assembly resolutions on the question, the International Nansen Office for Refugees and the Office of the High Commissioner for Refugees coming from Germany were to be wound up as from December 31st, 1938. The Assembly, at its nineteenth ordinary session, had to take a decision regarding the future of refugee work.

After examining a number of proposals, the Assembly decided to appoint a High Commissioner of the League of Nations to deal with refugees hitherto coming under the Nansen International Office and the Office of the High Commissioner for Refugees coming from Germany.

The High Commissioner's duties were defined as follows :

(a) To provide for the political and legal protection of refugees, as entrusted to the regular organs of the League by paragraph 3 of the Assembly's decision of September 30th, 1930 ;

(b) To superintend the entry into force of the application of the legal status of refugees as defined more particularly, in the Conventions of October 28th, 1933, and February 10th, 1938 ;

(c) To facilitate the co-ordination of humanitarian assistance ;

(d) To assist the Governments and private organisations in their efforts to promote emigration and permanent settlement.

In the performance of his duties, the High Commissioner was instructed to keep in close touch with the Governments concerned and the competent official bodies, to maintain relations with the Intergovernmental Committee in London and to establish contact with private organisations dealing with refugee questions.

It was decided that the High Commissioner should be assisted by a Deputy High Commissioner and a small staff. He would consult the Governments of the principal countries of refuge as to the need for appointing representatives therein, and,

should they agree, he would appoint to those countries representatives approved by them.

The grant from the League of Nations, fixed by the Assembly year by year, would be appropriated for the High Commissioner's administrative expenses, but he was authorized to accept funds from Governments or private sources and also any sums that might be offered to him by the Nansen International Office for Refugees. While not himself directly providing assistance to refugees, he might allot funds among private organisations and official bodies.

It was decided that the High Commissioner and his organisation should have their headquarters in London.

Sir Herbert Emerson, G.C.I.E., K.C.S.I., C.B.E., was appointed High Commissioner for a period of five years as from January 1st, 1939.

## II. CO-OPERATION WITH THE INTERGOVERNMENTAL COMMITTEE SET UP BY THE EVIAN CONFERENCE (JULY 1938)

In a letter dated February 16th, 1939, Earl Winterton, Chairman of the Intergovernmental Committee, invited Sir Herbert Emerson, on behalf of that Committee, to accept the office of Director of the Committee, a post which had fallen vacant as a result of Mr. Rublee's resignation.

According to the terms of this invitation, it was understood that Sir Herbert Emerson would devote his best efforts to carrying out the two mandates entrusted to him, so that the activities of the Office of the Intergovernmental Committee and the refugee services of the League of Nations would be complementary, while remaining distinct. After consultation with the Secretary-General of the League of Nations, Sir Herbert Emerson, in a letter dated February 17th, 1939, accepted the appointment in an honorary capacity.

In so doing, he considered that his acceptance would not only be in accordance with the spirit of the directions of the Assembly but would also enable him to give effect to its intentions in a very practical and effective manner. The entity of the Intergovernmental Committee would be kept quite distinct from that of the refugee organisation of the League, and his duties as Director would be performed in his personal capacity and not as High Commissioner of the League.

The vesting of the two functions in the same person has ensured close co-operation between the two organisations in accordance with the Assembly's wishes.

III. EXTENSION OF THE HIGH COMMISSIONER'S FUNCTIONS  
TO REFUGEES COMING FROM THE TERRITORY  
WHICH FORMERLY CONSTITUTED AUSTRIA

As regards refugees coming from the territory which formerly constituted Austria, the Council of the League of Nations, in a resolution dated May 14th, 1938, authorised the High Commissioner of the League of Nations for Refugees coming from Germany to "interpret his mandate as applying to refugees coming from Austria until a final decision had been taken by the Assembly at its next session". At its nineteenth session, the Assembly confirmed this decision, so that the High Commissioner's mandate is to be interpreted as also applying to this category of refugees.

The Secretary-General had forwarded to the Governments, in agreement with the High Commissioner for Refugees coming from Germany, a draft Additional Protocol for the purpose of including this category of refugees in the Provisional Arrangement of July 4th, 1936, and the Convention of February 10th, 1938, regarding the status of refugees coming from Germany.<sup>1</sup>

It was later proposed to substitute for the original draft a new draft prepared by the United Kingdom Government. This draft was also communicated to the Governments for their observations.<sup>2</sup>

The replies received show that, although certain Governments are not in a position to sign the Protocol, the text itself has not given rise to any objection or criticism. In these circumstances, the High Commissioner and the Secretary-General, after consulting the United Kingdom Government, considered that it would be desirable to open the Protocol for the signature of Governments.

In a letter dated April 6th, 1939, the Secretary-General, in agreement with the High Commissioner, submitted to Governments certain suggestions regarding the procedure to be followed with a view to the signature of the Protocol.<sup>3</sup>

IV. EXTENSION OF THE HIGH COMMISSIONER'S FUNCTIONS  
TO REFUGEES COMING FROM SUDETENLAND

At the request of the Governments of France and the United Kingdom, the Council decided (hundred-and-fourth session,

<sup>1</sup> See document C.L.99.1938.XII (*Official Journal*, July 1938, page 646).

<sup>2</sup> See document C.L.154.1938.XII (*Official Journal*, August-September 1938, page 678).

<sup>3</sup> See document C.L.53.1939.XII (*Official Journal*, March-April 1939, page 231).

January 17th, 1939) to extend the High Commissioner's functions to refugees coming from the territory known as the Sudetenland, subject to a final decision being taken by the Assembly at its next session.

The Council further instructed the High Commissioner to submit to the next Assembly a report on the situation in this respect and on the results of his consultations with Governments, in conjunction with the Secretary-General, concerning the application of the Convention of February 10th, 1938, and of the Arrangement of July 4th, 1936, to these refugees.

In order to give effect to this decision, the Secretary-General, on February 24th, 1939, transmitted a note by the High Commissioner to Governments for their observations.<sup>1</sup>

#### V. LIQUIDATION OF THE NANSEN OFFICE

In accordance with the resolution adopted by the nineteenth Assembly, the Nansen International Office went into liquidation as from December 31st, 1938. The accounts, as far as the administrative budget of the Office is concerned, were closed on that date with a surplus of 44,624.25 Swiss francs.

In accordance with the suggestion contained in the report adopted by the nineteenth Assembly, the Governing Body of the Office appointed its Chairman, Judge Michael Hansson, as liquidator. M. Hansson will submit an annual report and a final report to the members of the former Managing Committee and Finance Commission. These reports will be communicated to the Secretary-General, who will transmit them to the Members of the League of Nations.

The Nansen Office had the great honour to be awarded the Nobel Peace Prize for 1938. At a solemn ceremony held at the Nobel Institute at Oslo on December 10th, 1938, M. Michael Hansson received the insignia of the Peace Prize and the prize itself, amounting to 155,077.20 crowns, on behalf of the Office.

The Nansen Office was much gratified to find that the Committee's choice had met with general approval, not only among the public but also among bodies and institutions interested in refugee work, and that their congratulations were accompanied by testimonies of appreciation and gratitude for the efforts made by the Office to perform the task entrusted to it.

The large contribution provided by the Nobel Prize enabled the Governing Body of the Office, before the end of the year,

<sup>1</sup> See document C.L.35.1939.XII (*Official Journal*, March-April 1939, page 230).

to make a special distribution of grants to refugees, amounting to 77,925 Swiss francs. The balance was paid into the Humanitarian Fund.

In accordance with the decision adopted by the Governing Body of the Office, the balance of the Humanitarian Fund, amounting to over 450,000 Swiss francs, was placed at the disposal of the High Commissioner for Refugees. During the last year of its work, the Nansen Office was able to distribute a sum of about 530,000 Swiss francs in the form of advances and grants.

Since January 1st, 1939, the work on behalf of refugees previously in the hands of the Nansen Office or the Office of the High Commissioner for Refugees coming from Germany has been carried on normally, although a certain number of difficulties have arisen on account of the international situation. The special activity displayed in this sphere by the new High Commissioner will be brought to the Assembly's knowledge in the report which he has been instructed to draw up in accordance with the nineteenth Assembly's resolution.

On the other hand, Judge Hansson will submit a report to the Assembly on the activities of the Nansen Office during the last six months of 1938.

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23.

## INTELLECTUAL CO-OPERATION

The Intellectual Co-operation Organisation has developments to record in several fields, particularly those of collaboration with scientific organisations, the educational cinematograph and the national committees on intellectual co-operation.

The most important event was the holding of the diplomatic conference which met at Paris in December 1938 to adopt an International Act concerning the International Institute of Intellectual Co-operation in Paris.

### I. NATIONAL COMMITTEES ON INTELLECTUAL CO-OPERATION

One of the results of the General Conference held by the national committees on intellectual co-operation in Paris from July 5th to 9th, 1937, was to convince both the International Committee and the Institute and also the national committees themselves of the latter's importance. The national committees indeed constitute the strongest link between national opinion in each country and the central organs of intellectual co-operation.

The General Conference had signified the importance it attached to regional conferences on intellectual co-operation. Two such regional conferences were held during the year: the fourth Conference of National Committees on Intellectual Co-operation of Baltic and Northern States (Riga, November 14th and 15th, 1938) and the First Conference of American National Committees on Intellectual Co-operation (Santiago de Chile, January 6th to 12th, 1939).

#### *Fourth Conference of National Committees on Intellectual Co-operation of Baltic and Northern States.*

The national committees of Denmark, Estonia, Finland, Latvia, Lithuania, Norway and Sweden sent representatives to this conference.<sup>1</sup>

<sup>1</sup> The Secretary-General of the League of Nations and the Institute of Intellectual Co-operation in Paris were represented at the Conference.

The Conference was solemnly inaugurated by M. V. Munters, Minister for Foreign Affairs, and M. S. Auskap, Minister of Education, of Latvia. The delegates of the seven national committees submitted full accounts of the latter's work, also bringing out the various aspects of Baltic and Northern intellectual interchanges. The Conference considered the means of establishing still closer collaboration between the different committees, and between them and the Institute of Intellectual Co-operation. One of the resolutions adopted on this occasion referred to the preparation of brief summaries of the history of the various countries of the regional group.

*First Conference of American National Committees on Intellectual Co-operation, Santiago de Chile, January 6th to 12th, 1939.*

The initiative in the matter of this conference had been taken by the Chilian Committee on Intellectual Co-operation. Its proposal was approved by the Assembly of the League of Nations, which, at its nineteenth session, in September 1938, expressed its warmest wishes for the success of the Conference.<sup>1</sup>

Twenty national committees or countries were represented.<sup>2</sup>

The Conference was opened on January 6th, 1939, in the Hall of Honour of the Chilian Congress, under the presidency of Señor Pedro Aguirre Cerda, President of the Republic, in the presence of the Ministers for Foreign Affairs and National Education and many other distinguished persons. It was subsequently presided over by Señor Juvenal Hernandez, Rector of the University of Chile.

The Conference's agenda, drawn up on the basis of the suggestions of the Secretariat and the Institute, dealt, *inter alia*, with the activities of the national committees on intellectual co-operation constituted in the American States and the formation of new committees in the countries of both continents where none so far existed; with the examination of the activities of the Intellectual Co-operation Organisation which more particularly concerned the American countries (Ibero-American Collection, scheme for a historical and ethnographical collection on the origins of American civilisation, etc.); with the universal

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<sup>1</sup> The Assembly voted a credit of 10,000 Swiss francs to provide the necessary funds for the organisation of the Conference. This sum covered all the expenses of the Conference.

<sup>2</sup> United States of America, Argentine Republic, Bolivia, Brazil, Canada, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, Guatemala, Haiti, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay and Venezuela.

'charter of authors' rights ; and, lastly, with America's mission in the intellectual field as a factor in the organisation of peace.

The Conference's work was mainly carried on in committees and sub-committees. Its results were embodied in a Final Act which contained fifty-one resolutions and was signed on January 12th, 1939, by all the delegations present.

These resolutions covered some of the most important questions at present dealt with by the Intellectual Co-operation Organisation.

As regards authors' rights, the national committees called upon the American Governments to state their views on the draft Conventions prepared at Montevideo and Paris, to send representatives to the Brussels Conference and, pending the adoption of a universal charter of authors' rights by the Brussels Conference, to improve their national legislations as much as possible.

The Conference noted with satisfaction the results of the diplomatic conference held at Paris from November 30th to December 2nd, 1938, which led to the conclusion of an International Act concerning intellectual co-operation.

The Conference congratulated the International Committee on Intellectual Co-operation and the Institute on the publication of the Ibero-American collection based on translations of some of the most outstanding works of American literature. It emphasised the importance of this collection from the point of view of mutual knowledge between peoples. Lastly, it requested the Institute to consider the possibility of publishing the collection in languages other than French, and expressed the opinion in particular that a translation from the original into English would be most desirable.

The other resolutions adopted by the Conference are of a predominantly inter-American character, and deal with the preparation of a pacifist handbook of American history, the commemoration of outstanding personalities in the field of American culture, the publication of an inter-American review, etc.

*International Act concerning Intellectual Co-operation.*

At its session in May 1938, the Council of the League of Nations decided to hold a diplomatic conference for the conclusion of an International Act concerning intellectual co-operation, and entrusted the French Government with the task of convening and organising it.



In accordance with this resolution, the French Government invited the Governments of the States Members of the League of Nations and of non-member States to take part in this Conference, the opening of which was fixed for November 30th, 1938.<sup>1</sup>

The Conference had to consider a draft International Act prepared by the International Committee on Intellectual Co-operation on the basis of the recommendations of the Second General Conference of National Committees. The purpose of this Act was, first, to strengthen the legal and financial position of the International Institute of Intellectual Co-operation, and, secondly, to promote the constitution and development of national committees on intellectual co-operation. It enumerated the principal ways in which the Governments might afford moral and material support to the International Institute of Intellectual Co-operation.

In the light of this draft, the Conference drew up an International Act, which is based on the following three fundamental ideas :

1. The Contracting Parties note that the work of intellectual co-operation is independent of politics and based entirely on the principle of universality.

2. The national committees on intellectual co-operation shall act, in their respective countries, as centres for the development of the work of intellectual co-operation on both the national and international planes, and for this purpose the Institute of Intellectual Co-operation should keep in close contact with the national committees and assist them with its effective collaboration.

3. Each of the Contracting Parties undertakes to grant the International Institute of Intellectual Co-operation an annual financial contribution in units of 750 gold francs. They recognise, moreover, the legal personality of the Institute. In order to give full effect to this undertaking, Article 6 of the Act provides that the Government delegates of the Contracting Parties shall hold an annual meeting

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<sup>1</sup> The Governments of the following countries were represented : Union of South Africa, Albania, Argentine Republic, Belgium, Brazil, Chile, China, Colombia, Costa Rica, Cuba, Czecho-Slovakia, Denmark, Dominican Republic, Ecuador, Egypt, Estonia, Finland, France, Greece, Guatemala, Haiti, Iran, Iraq, Ireland, Latvia, Lithuania, Luxemburg, Mexico, Monaco, Netherlands, Norway, Panama, Paraguay, Peru, Poland, Portugal, Roumania, Siam, Spain, Sweden, Switzerland, Turkey, Uruguay, Venezuela, Yugoslavia. The United States of America, the United Kingdom of Great Britain and Northern Ireland, Bulgaria, Hungary and Japan sent observers to the Conference.

to examine in common all questions relating to the financial and administrative working of the Institute and the use of the funds placed at its disposal.

Under Article 7, the Governments represented at the Conference were given until April 30th, 1939, to sign the Act. By May 1st, thirty-seven Governments had availed themselves of this right.<sup>1</sup>

At its hundred-and-fourth session (January 1939), the Council of the League of Nations noted the results of the Conference and decided to transmit the International Act and the Final Act to the International Committee on Intellectual Co-operation.

## II. MODERN MEANS OF SPREADING INFORMATION

### *Cinematograph.*

Having been called upon to carry on certain of the tasks of the International Educational Cinematographic Institute of Rome, which closed down on December 31st, 1937, the International Institute of Intellectual Co-operation took steps to set up an organisation of information and international liaison in the field of the cinema. It welcomed the creation, notably in the Argentine Republic, Switzerland, the Union of South Africa and the United States of America, of new national cinematograph centres, which it regarded as valuable *points d'appui*.

The Institute undertook an enquiry into what is being done in the various countries to assist in the *education of public taste* and thus to influence the intellectual and artistic level of production. This enquiry is already far advanced.

Another enquiry is in progress relating to the compilation of a *catalogue of films of study and scientific research*, which are little known to the public. The enquiry has shown that there are films of this kind even in countries where any other form of local cinematographic activity is practically non-existent.

The Institute has also gone into the question of compiling an international catalogue of educational and-instructive films of a general character.

At its hundred-and-first session (May 1938), the Council, on the initiative of the United Kingdom Government, took steps

<sup>1</sup> Union of South Africa, Albania, Argentine Republic, Belgium, Brazil, Chile, China, Colombia, Cuba, Denmark, Dominican Republic, Ecuador, Egypt, Finland, France, Greece, Guatemala, Haiti, Hungary, Latvia, Lithuania, Luxemburg, Mexico, Monaco, Netherlands, Norway, Paraguay, Peru, Poland, Portugal, Roumania, Siam, Spain, Switzerland, Uruguay, Venezuela, Yugoslavia.

to remedy the drawbacks as regards the application of the Convention of October 11th, 1933, for facilitating the international circulation of films of an educational character, resulting from the closing-down of the Rome International Institute, which had been entrusted with the execution of that convention.

In accordance with the Council's decision, the Secretary-General, in agreement with the President of the Council and the United Kingdom Government, convened for September 10th, 1938, a conference of States signatories of the Convention and of States which had acceded thereto.<sup>1</sup>

The conclusions reached by the Conference were embodied in a *Procès-verbal*.<sup>2</sup>

In virtue of its provisions, which are of genuine importance to the International Committee on Intellectual Co-operation, the latter is invested with the functions entrusted by the 1933 Convention to the International Educational Cinematographic Institute. These functions include the examination of films and the granting of a certificate attesting their educational character from the international point of view.

On September 26th, 1938, the Assembly authorised the Committee to assume its new functions.

The Executive Committee of the Committee on Intellectual Co-operation thereupon appointed a committee of experts to draft regulations for the application of the Convention. This draft, which was subsequently approved by the Executive Committee and submitted to the Council for the approval provided for in Article 13 of the International Convention, stipulates that films shall be examined by a committee of five experts.

### *Broadcasting : Spread of Scientific Knowledge.*

In continuation of the enquiry into the use of modern means of spreading information to further mutual understanding among nations, the Institute convened on February 17th, 18th, and 19th, 1939, under the chairmanship of M. Arnold Raestad,

<sup>1</sup> The following States took part in this Conference : Union of South Africa, United States of America, Belgium, United Kingdom of Great Britain and Northern Ireland, Bulgaria, Chile, Cuba, Denmark, Egypt, Estonia, France, Greece, Hungary, India, Iraq, Ireland, Latvia, Monaco, Norway, Poland, Roumania, Sweden, Switzerland.

The Netherlands Government, which had not signed the Convention, asked permission to attend the Conference in an advisory capacity. The Conference granted this request.

<sup>2</sup> Document C.302.M.177.1938.XII. The *Procès-verbal* has so far been signed by the following States : Union of South Africa, Denmark, Egypt, Greece, India, Ireland, Norway, Sweden, Switzerland.

Chile and Poland signed *ad referendum*. The United States of America signed the *Procès-verbal*, but its signature will only become final when it has ratified the Convention.

former Minister, President of the Norwegian National Broadcasting Company, a committee of experts consisting of qualified representatives of the various scientific branches to consider the importance to science of the use of modern means of spreading information—particularly broadcasting, the Press and large-scale publication—to initiate the general public into the spirit, methods and results of scientific research, and their effects on the life and future of society.

After studying the branches to which this scientific information should particularly apply, the Committee of Experts considered how an international information service could be organised. This organisation should possess an international centre, provided from the outset with the necessary services for collecting information, arranging for its distribution in a suitable form and keeping in touch with scientific circles, broadcasting undertakings, the Press, and publishing houses in the different countries.

The experts also recommended the setting-up of regional or national centres which should keep pace with the growth of the activities of the international organisation for spreading scientific knowledge. These studies will be pursued in the spirit of the "Rye Conference" held under the auspices of the Rockefeller Foundation of New York.

### III. EDUCATION

#### *Advisory Committee.*

At its session in July 1938, the International Committee on Intellectual Co-operation decided to place on the Advisory Committee's agenda for 1939 the question of "Instruction in Civics". At its April session, the Executive Committee of the International Committee decided that the International Institute of Intellectual Co-operation should undertake an enquiry on this subject, in preparation for the next meeting of the Advisory Committee, which will take place in November or December 1939.

#### *University Relations.*

On November 2nd and 3rd, 1938, a meeting of the Advisory Commission of the International Bureau of University Statistics was held, while there were two meetings of the Committee of International Students' Organisations—a limited meeting on November 4th, 1938, and a plenary meeting on May 2nd and 3rd, 1939.

The Advisory Commission of the International Bureau of University Statistics had to decide on the programme of work to be undertaken by that bureau, which had been set up at the request of the Committee of International Students' Organisations. The experts on university statistics of which the Commission is composed devoted their chief efforts to determining the main outlines of a campaign to be conducted in the different countries for the creation of national bureaux to undertake a permanent study of the intellectual employment market. The International Bureau of University Statistics has been asked to prepare for this purpose, in close co-operation with the Commission, a guide-book for the use of these national bureaux. This work will contain the programme of university statistics and of the statistics of professions reserved for graduates. This programme will be drawn up in such a way as to permit of useful international comparisons.

The Students' Committee examined, in particular, the nature and closeness of the relations of international students' organisations with the national groups affiliated to them in the different countries. The principal problem may be stated as follows. Do the present organisation and methods of work enable the international students' federations to get into touch, beyond the, in many cases, somewhat complicated administrations of the affiliated national associations, with the general body of students which they claim to represent? After a most interesting discussion, the Committee recommended several measures likely to bring about closer and more direct relations between the students and the international federations.

The Institute is making preparations for two important university meetings: (a) on October 17th and 18th next, the first meeting of the *Standing Committee on Higher Education* for which thirteen national committees are preparing reports on the co-ordination of teaching in the universities; (b) for the beginning of May 1940, the second *International "Conversation" for Students*, which will discuss the educational rôle of students' associations.<sup>1</sup>

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<sup>1</sup> During the year 1938/39, the Institute issued the following publications:  
The *Organisation of Higher Education*, Volume II. (The Argentine Republic, Belgium, China, Czecho-Slovakia, Japan, the Netherlands, Poland, Roumania, Switzerland, the Union of Soviet Socialist Republics); 296 pages.  
*Students in Search of their University*; 180 pages.  
*Students Abroad*, Nos. 7 and 8; 32 pages each.  
*Holiday Courses in Europe, 1937*; 66 pages.  
*Bulletin of International School Correspondence*, No. 11; 27 pages.

*Co-ordination of Secondary Education—Classical, Modern and Technical.*

After defining the general conditions of this co-ordination in 1937,<sup>1</sup> the International Committee of Experts, which met again at the Institute on April 17th and 18th, 1939, considered the problem of the co-ordination of courses of general instruction in the different types of secondary education, in order both to enable pupils during their studies to transfer from one type of education to another, and to provide all pupils with a minimum of general knowledge. The Committee of Experts endeavoured to determine to what extent this fundamental general knowledge could be secured by the adoption of common methods and a common system of teaching in the following branches : national language and literature ; foreign languages and literatures ; history and geography ; mathematics and natural science.

The results of the work of the Committee of Experts will be reproduced in a publication issued by the Institute—*La co-ordination des cours de formation générale dans les enseignements du second degré.*

IV. SCIENTIFIC STUDY OF INTERNATIONAL RELATIONS

During the year 1938/39, the number of members of the Permanent International Studies Conference has been increased.<sup>2</sup>

*Twelfth Session of the Permanent International Studies Conference.*

The twelfth session of the Permanent International Studies Conference will take place at Bergen from August 27th to September 2nd, 1939, at the invitation of the Norwegian Committee for the Co-ordination of International Studies.<sup>3</sup>

It will be devoted to a discussion on economic policies in relation to world peace. Abundant material has been collected by the members of the Conference and the national committees

<sup>1</sup> See *La co-ordination des enseignements du second degré, 1938.*

<sup>2</sup> The Mexican Committee for the Scientific Study of International Relations and the Chilean Institute for International Studies at Santiago were admitted in this capacity.

Scientific committees have also been constituted in Bulgaria and Yugoslavia with a view to taking part in the study of economic policies in relation to peace.

In Japan, a committee has also been set up, which is assisting in the preparation of the conference on this subject.

Belgian scholars are continuing to participate in the work of the Conference.

A committee was recently set up in Greece, under the chairmanship of M. C. Varvaressos, Professor of Political Economy at Athens University and Assistant Governor of the Bank of Greece. This committee is applying for admission as a member of the Conference.

Negotiations are in progress with Turkish university circles with a view to the establishment of a permanent committee. Turkish economists have, however, already taken part in the study of exchange control organised with a view to the next session of the Conference.

The Conference's contacts with Brazilian and Argentine circles are becoming more and more frequent, and the constitution of a committee is under consideration in those two countries.

<sup>3</sup> This invitation was made possible by the generosity of the Christian Michelsen Institute for Science and Intellectual Freedom.

admitted to take part. As in the past, this material has been supplemented by a series of memoranda written by experts invited in their individual capacity.

The first volume of this series<sup>1</sup> will appear under the title : *An Alleged Source of Peace and War : the Unregulated System of International Economic Relations.*

Apart from the plenary meetings devoted to the discussion of the general aspects of the problem, three commissions will be set up for a thorough discussion of the following subjects :

1. The present relations between the closely regulated commercial systems and the unregulated systems.
2. The possibilities of an international agreement to develop international trade and eliminate possible causes of friction in international relations.
3. The limits and consequences of private and public control beyond the national frontiers.

A detailed agenda will be prepared by the General Rapporteur of the Conference.<sup>2</sup> The commissions will be asked to take into account the problem of economic and political security and to deal also with the following subjects :

1. The interaction of political and economic objectives in national policies.
2. The connection between national economic regulation and international economic relations.

In addition, exchange control, of which the Conference has made a collective study organised according to an international plan, will be discussed and its technical and economic aspects examined.

#### *Publications of the Permanent International Studies Conference.*

The International Institute of Intellectual Co-operation has published several works in English and French under the auspices of the Conference.<sup>3</sup>

It is considering methods of increasing their circulation.

<sup>1</sup> By M. L. Baudin, Professor at the Paris Faculty of Law.

<sup>2</sup> Mr. J. B. Condliffe, Professor at the London School of Economics and Political Science.

<sup>3</sup> *Peaceful Change : Procedures, Raw Materials, Population, the Colonial Question* (Tenth session of the Permanent International Studies Conference).  
*International Raw Materials Cartels*, by William Oualid.  
*Markets and the Problem of Peaceful Change*, by J. B. Condliffe.  
*The Synthetic Optimum of Population*, by Irare Ferenczi.  
*Monetary Aspects of the Raw Materials Problem and the Revival of International Trade*, by Michael A. Heilperin.  
*Population and Peace : A Survey of International Opinion on Claims for Relief from Population Pressure*, by F. Chalmers Wright.

## V. SOCIAL SCIENCES

### *International Enquiry into the Use of Machinery in the Modern World.*

This enquiry, which was decided on by the International Committee on Intellectual Co-operation in 1936, was concluded in December 1938. The scientific directors of this work are engaged in preparing their respective reports and in compiling material which is to be published by the Institute. Owing to unforeseen circumstances, there has been some delay in this work of documentation. The volume is, however, expected to make its appearance at the end of 1939.

## VI. LITERARY QUESTIONS

### *Ibero-American Collection.*

The Institute continued in 1938/39 the publication of the Ibero-American Collection. Two new volumes have appeared. The first is *Selected Plays* by the Uruguayan author Florencio Sanchez, containing five pieces—*Barranca Abajo, M'Hijo el Dolor, En Familia, Moneda Falsa, Los Muertos*. M. Enrique Diez-Canedo, the Spanish critic, has written the preface, and the plays were translated by M. Max Daireaux. This is the first dramatic work printed in the collection.

The second volume is devoted to the Brazilian author and statesman *Joaquim Nabuco*, and contains selected passages from his political, historical and literary works and from his speeches. The Brazilian writer, the late Graça Aranha, kindly contributed a preface to this work, which was translated by M. Victor Orban and Mlle. Mathilde Pomès.

At the same time, a translation of *Marlin Fierro*, an epic poem by the Argentine Hernandez has been prepared and is now complete. The translation is by Marcel Carayon and the preface by M. Ricardo Rojas.

The work will be in two volumes, the first containing a translation in blank verse and the second a literal translation accompanied by the original text for the use of students of Spanish and philologists.

Outside the Ibero-American Collection, the Institute has also undertaken the publication of a translation of *Juan Facundo Quiroga*, by M. Ramon J. Carcano. This will appear as an extra



volume in response to the desire which has been expressed for a historical account of the period dealt with in Sarmiento's *Facundo*, previously published in the Ibero-American Collection.

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*Japanese Collection.*

One of the best novels of the Meiji period (1886-1912) *Kokoro* (*Le pauvre cœur des hommes*), by Sōseki Natsume, has been translated into French by the poet M. Daigaku Horiguchi and M. Georges Bonneau, former Director of the Maison franco-japonaise at Tokio. After a year's conscientious efforts, they have succeeded in preparing a translation which not only faithfully reproduces the novel, but also conveys the tone and shades of meaning of this delicate psychological work. This translation is the third volume of the Japanese Collection, the first being entitled *Haikai de Bashō et de ses disciples*, and the second *L'Arl, la Vie et la Nature au Japon*, by Professor M. Anesaki.

VII. ART, ARCHÆOLOGY, ETHNOLOGY

*Work of the International Museums Office.*

*International Agreements.*—The question of the protection of monuments and works of art in time of war has been dealt with in numerous studies, both from the legal and from the technical point of view. The International Museums Office submitted a draft International Convention to the 1938 Assembly. At its own request, the Netherlands Government was entrusted with the task of making the necessary consultations and convening a diplomatic conference for the adoption of this convention. This Government has approached the Governments of the States Members of the League of Nations and of several non-member States.<sup>1</sup>

The draft Convention for the *protection of national artistic and historical possessions* has again been revised by a Committee of jurists in the light of the observations received from Governments. The Committee has also drafted a commentary which will enable Governments and their delegates to the diplomatic conference, which is to be held in 1939, to understand the

<sup>1</sup> Including the following: Germany, the United States of America, Brazil, Japan, Saudi Arabia, Monaco, Costa Rica, Guatemala, Honduras, Nicaragua, Paraguay.

As the Netherlands Government has no diplomatic relations with the Union of Soviet Socialist Republics, it requested the Secretary-General to consult that country's Government. In response to this request, the Secretary-General consulted the Union of Soviet Socialist Republics by a letter dated February 1st, 1939.

amendments made to the previous text and the reasons for these amendments.

The International Museums Office was called upon to arbitrate with regard to the Final Act of the International Conference on Excavations, recommended to the Governments by the 1937 Assembly. Two administrations, the Directorate of the Royal Museums of Art and History of Belgium and the Antiquities Service of Egypt, asked for its opinion on the interpretation and application of the provisions of the Act. The opinion of the International Museums Office was accepted by the parties.

*Administrative Work and Technical Research.*—In this field, mention may be made of the appearance of a *Manual for the Preservation and Restoration of Paintings* for the use of curators and art collectors; and of the preparation of three volumes of the new publication announced last year, *Recherche*, dealing with the following questions: the problem of the ogive; primitivism and classicism, the two aspects of the history of art; methods of folklore research.

The International Museums Office has also acted as the secretariat of the other organs of the Institute dealing with questions of art, archæology and ethnology: the International Commission on Historic Monuments, the International Centre for Institutes of Archæology and History of Art, the International Committee on Folk Art and Folklore, and the International Centre for the Study of Architectural and Town-planning Questions.

It drew up the programme of its second conference on general museography, which is to meet in 1940 and will deal with the social and educational rôle of museums. The proceedings of this conference will constitute Volume III of the *Traité de muséographie générale*, published by the International Museums Office.

## VIII. INTELLECTUAL RIGHTS

The International Institute of Intellectual Co-operation has continued its efforts to ensure better protection for intellectual rights.

In the first place, it has taken steps with a view to carrying into effect the recommendations of the last Diplomatic Conference on Industrial Property, held in London in 1934, in favour of the granting of patents in respect of discoveries on which communications of a scientific character have been made. Several legislations have already taken action in this direction by granting

the authors of such discoveries a certain period of priority for taking out a patent.

In the second place, the studies regarding the international régime of authors' rights have been further extended. They have applied both to the revision of the Berne Convention and to the conclusion of another diplomatic instrument for the purpose of ensuring the protection of authors' rights in mutual relations between the countries subject to the Berne Convention and the Pan-American Conventions respectively. This latter action is in conformity with the concordant recommendations of the Assemblies of the League of Nations and the International Conferences of American States.

Within the framework of the Berne Convention, the Institute has drafted various proposals aimed at supplementing the guarantees already afforded to the authors of literary or artistic works. They refer, in particular, to the unconditional protection of journalistic articles, the introduction of a *droit de suite* in favour of authors in regard to their original works transferred to public sale, and the institution of a procedure of international settlement for disputes regarding the application of the Convention. The urgency of these reforms has been frequently stressed by the professional organisations associated with the Institute's work.

As regards the draft universal charter of authors' rights, fresh progress has been made, thanks chiefly to the help of the United States National Committee on Intellectual Co-operation and other American committees. At the invitation of the Belgian Government, the Institute, in concert with the International Institute for the Unification of Private Law, arranged a meeting at Brussels, from October 19th to 21st, 1938, of the Committee of Experts already set up and consisting of well-known authorities from both continents. The Asiatic point of view was represented by a delegation specially sent by the Japanese Government. The Committee took cognisance of the first replies received from the Governments consulted by the Belgian Government with regard to the proposals made by the Committee at its meeting of April 1936. As a result of its discussions, certain amendments were introduced, based partly on American and Japanese objections.

As the result of a meeting held at Paris by the delegates to the Institute of the American States, the conclusions of the Committee of Experts were transmitted to the various Governments which were to attend the eighth International Conference

of American States. This Conference, which met at Lima<sup>6</sup> in December 1938, held important discussions on international problems connected with authors' rights, during which due account was taken of the work done by the Intellectual Co-operation Organisation of the League of Nations. In a final resolution, it associated itself with the Belgian Government's initiative and recommended the American States, to send representatives to the Universal Conference on Authors' Rights, prepared by that Government with the collaboration of the Institute. The same point of view was expressed at the Conference of American National Committees on Intellectual Co-operation held at Santiago de Chile in January 1939.

The Belgian Government has already received a sufficient number of acceptances to enable it to envisage the simultaneous convening of the two diplomatic conferences at Brussels in the near future. "Decisive results on the universal protection of authors' rights may be expected from these conferences."

The Institute's activities in these various directions have been carried on in co-operation with the other institutions interested in problems of intellectual rights.<sup>1</sup> The statutory meeting of the representatives of these institutions and of the Institute again ensured the co-ordination of their respective activities in such a way as to avoid duplication.

#### IX. INTELLECTUAL AGREEMENTS

Since the appearance of the *Recueil des accords intellectuels* (1938), the International Institute of Intellectual Co-operation has published in its bulletin, *La Coopération intellectuelle*, the intellectual agreements which have been concluded, as soon as they have appeared. The tendency to conclude intellectual agreements is growing, and the conclusion of political treaties is nearly always accompanied by the conclusion of agreements of an intellectual character.

#### X. PUBLICATIONS

The various enquiries conducted by the Institute of Intellectual Co-operation, and the meetings or conversations organised by it, or with its collaboration, have led it to publish, since August 1938, some fifty numbers of periodicals and some forty volumes and pamphlets.

<sup>1</sup> International Labour Office, International Institute for the Unification of Private Law, International Bureau at Berne, Legal Section of the Secretariat of the League of Nations.

## XI. COMMITTEES MEETING IN JULY, 1939

In accordance with precedent, the Intellectual Co-operation Organisation held a number of meetings in July.

After a short session of the Committee for Science and Social Relations (July 10th-11th) and of the Committee of Experts for the Application of the Calculation of Probabilities (July 12th to 16th), the International Committee on Intellectual Co-operation held its twenty-first session at Geneva from July 17th to 22nd.<sup>1</sup> In addition, the Joint Committee of the Major International Organisations held its usual summer session at the Secretariat on July 13th and 14th.

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<sup>1</sup> As this session was held too late to be summarised here, the reader is referred to the Committee's report (document C.231.M.153.1939.XII), which will appear early in September.

24.

INTERNATIONAL BUREAUX, INSTITUTES AND  
ORGANISATIONS

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I. INTERNATIONAL BUREAUX

The Secretariat has maintained its usual relations with the International Bureaux placed under the direction of the League of Nations in virtue of Article 24 of the Covenant.

*International Hydrographic Bureau.*

The International Hydrographic Bureau has prepared a new edition of the *Catalogue of Original Charts of European Seas*. A supplement has been issued to bring up to date the five parts of its *General List, arranged by Oceans, and Historical Cards, of Shoals of Doubtful Existence or Doubtful Position*.

A third volume of *Geographical Positions of the World* has been issued.

The International Hydrographic Bureau has undertaken to keep up to date the *General Bathymetric Chart of the Oceans*. For this purpose, wire and sonic soundings taken in all the seas of the world are collated. Five sheets of the new edition of the world chart, comprising twenty-four sheets, have already been published. These new sheets include two charts relating to the Indian Ocean and the Mediterranean Sea, which were published during the year 1938/39.

The Bureau gives a list of Original Sailing Directions for the whole world.

During the year, the Bureau published two volumes of its semi-annual periodical, the *Hydrographic Review*, which contains original reports and copies of articles relative to technical and practical hydrography and to allied subjects. It also published six *Hydrographic Bulletins*, indicating the most important results of the work carried out by various hydrographic, oceanographic and scientific expeditions, as well as by all Hydrographic Departments.

The Bureau has also issued a new compilation of the *List of Technical Resolutions* adopted by the International Hydro-

graphic Conferences relative to the drawing-up of charts, sailing directions, lists of lights, and all publications available to mariners in order to render navigation safer and easier.

*International Central Office for the Control of the Liquor Traffic in Africa.*

In accordance with the established rules, this Office<sup>1</sup> has forwarded to the Secretariat of the League the documents sent to it by the Governments concerned regarding the import and manufacture of liquor in Africa, in the territories under mandate and in adjacent areas.

Furthermore, the Office has compiled and issued a general table of spirituous liquors imported and of the duties collected thereon.

During the year, ninety-five communications were made in connection with the acquisition and transmission of documents.

*International Commission for Air Navigation.*

The year's work was chiefly devoted to the preparation of the twenty-seventh session of the International Commission for Air Navigation which was held at Copenhagen in June 1939.<sup>2</sup>

The principal questions studied by the Commission at this session were the following :

Preparation of regulations for air traffic in conditions of bad visibility ; revision of the regulations concerning an international standard type atmosphere ; general revision of radio-electric regulations ; preparation of instructions regarding sudden changes of altitude ; revision of the regulations concerning first-aid outfits ; study of charts for radio-goniometry ; preparation of regulations concerning the international employment of symbols and terms used in air navigation ; revision of the regulations concerning aeroplane engines ; publication of a signal book for use in air navigation.<sup>3</sup>

<sup>1</sup> Set up in virtue of Article 7 of the Convention of St. Germain-en-Laye of September 10th, 1919; the International Central Office for the Control of the Liquor Traffic in Africa took over the work of the Bureau for the Suppression of the Liquor Traffic, the functions of which were laid down in the General Act of the Brussels Conference of July 2nd, 1890.

<sup>2</sup> The work of preparation in question was mainly carried out at meetings of the following Committees and Sub-Committees: the Altimeters Committee; the Committee for the Study of the Regulation of Air Traffic in conditions of Bad Visibility; the Standardisation Committee, the Legal, Medical, Maps, Operational, Meteorological and Wireless Sub-Committees.

<sup>3</sup> The International Commission also took the initiative in convening a third World Conference of Aeronautical Radio-telegraphic Experts, which was held at Paris from November 2nd to 5th, 1938.

## II. ROME INTERNATIONAL INSTITUTE FOR THE UNIFICATION OF PRIVATE LAW

During the year, the Institute continued or completed its work in its different spheres of activity.<sup>1</sup>

### *Motorists.*<sup>2</sup>

At its twenty-second session (June 6th to 9th, 1939), the Committee for Communications and Transit suggested to the Institute that on the basis of the two preliminary drafts previously prepared, it might consider the possibility of framing draft provisions guaranteeing that damage caused to third parties by foreign motorists will be made good under an insurance policy of international scope, or by means of a guarantee furnished by an insurance undertaking of the country in which the foreign car is travelling, or otherwise.

### *Maintenance Obligations.*

It will be remembered that the Council of the League of Nations instructed the Committee of Experts for Assistance to Indigent Foreigners and the Enforcement of Maintenance Obligations Abroad to study the latter question. In view of the fact that the Institute was studying the preparation of a preliminary draft convention on this subject, the Committee, at its second session (February 1st, 1936), asked the Secretariat of the League of Nations to get into touch with the Institute in order to follow the latter's work. The Secretariat and the Institute established a system of co-operation between the League Committee and the Institute. It was agreed that the Secretariat should be represented on the Committee of Experts appointed by the Institute to prepare a preliminary draft convention.

The Institute's Committee of Experts held its second session from October 24th to 27th, 1938, during which it adopted the provisional text of a preliminary draft convention. The Institute is at present preparing draft comments on this text.

<sup>1</sup> It will be remembered (see previous annual reports) that the Institute is preparing draft uniform laws on international sales of goods (corporeal movables), on the structure of international contracts concluded by correspondence or by agents, on the liability of innkeepers, and on arbitration in private law.

<sup>2</sup> The Governing Body held its twelfth session from May 29th to 31st, 1939.

<sup>3</sup> See also above, page 74.



### *Intellectual Rights.*

The Institute took part in the annual sessions of representatives of international institutions dealing with intellectual rights, held at Paris on June 22nd, 1938, and at Geneva on June 9th, 1939.

*Universal Charter of Authors' Rights.*—Under the auspices of the Belgian Government, the Committee of Experts set up by the International Institute for the Unification of Private Law and the International Institute of Intellectual Co-operation held its second session at Brussels from October 19th to 21st, 1938.

The Committee examined the replies to the official memorandum which the Belgian Government had submitted to the different Governments, and drew up a report embodying its conclusions.

*Conventions annexed to the Berne Convention.*—The representatives of institutions dealing with intellectual rights had decided at their annual meeting on June 22nd, 1938, that it would be desirable at the Brussels Diplomatic Conference for the revision of the Berne Convention to examine the protection of rights analogous to authors' rights and to prepare, if possible, conventions annexed to the Berne Convention providing international protection for these rights.

As a result of this resolution, the Institute summoned a committee of experts which held its first meeting on April 2nd, 1939. Like the Paris meeting, it considered that it would be desirable that rights analogous to authors' rights should be settled by an annexed convention.

The Committee met at the end of July to prepare the text of a preliminary draft convention to be annexed to the Berne Convention.

### *International Loan Contracts.*

In submitting its report to the Committee for the Study of International Loan Contracts, the Institute completed its first task of studying, in the light of the various legislations, the validity of clauses in international loans entitling holders to be represented and authorising the representatives to act on behalf of the bondholders as a whole.<sup>1</sup>

<sup>1</sup> See *Report on the Work of the League, 1937/38*, Part I, page 183, and the chapter in the present report on the financial work of the League, page 54.

The Institute pursued its studies regarding the compilation of an international code of uniform rules for international loans. Taking into account the observations and suggestions made by the Committee of the League of Nations at its fourth session (June 1938) and those of its Sub-Committee of Jurists, the Institute submitted the revised text of the preliminary draft uniform rules and of the report accompanying it to the fifth session of the League Committee (May 1939). In approving the main outlines of the preliminary draft, that committee expressed the hope that the Institute would continue its studies in order to complete and improve this preliminary draft.

#### *Legal Status of Women.*

In performance of the task entrusted to it by the Committee for the Study of the Legal Status of Women,<sup>1</sup> the Institute had drawn up a comparative table of laws regarding the legal capacity of women. This statement was submitted to the Committee at its second session (June 1939) with a view to the determination of the manner in which the work should be pursued.

Taking into account the suggestions and observations made by the Committee, the Institute prepared certain parts of the report concerning the legal capacity of women which was submitted to the last session of the Committee.

#### *Insurance against Major Disasters.*

In response to the wish expressed by the International Relief Union, the Governing Body of the Institute decided to set up a committee of experts to study the possibility and means of insuring against major disasters. For this purpose the Institute prepared a study outlining the main features of the problem.

### III. RELATIONS WITH INTERNATIONAL ORGANISATIONS

Despite the difficult circumstances prevailing, the activities of the international organisations continued to develop during the past year. This is shown, in particular, by a comparison

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<sup>1</sup> See also page 160.

between the number of international organisations due to private initiative in 1936 (655) and their number in 1938 (748).<sup>1</sup>

These various groups held 150 important conferences and congresses in 1938, whereas the total in 1937 was only 78. Figures are not yet available for the current year, but the tendency to growth revealed by a comparison between the two previous years appears to have been maintained and even accentuated.

It is true that the difficulties in international relations have sometimes reduced the sphere of action of certain international organisations, and even the number of their national branches; but the worldwide scope of their efforts is none the less shown by the accounts received of their work.<sup>2</sup>

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In order to meet the needs expressed by many international organisations, it has been decided to amalgamate as from 1939 the two publications of the Secretariat entitled *Bulletin of Information on the Work of International Organisations* (half-yearly) and the *Handbook of International Organisations* (hitherto appearing every two years alternately in French and English).

The publication resulting from this amalgamation will in future appear each year (in French and English alternately) and will bear the new title *Year-Book of International Organisations*.

The first *Year-Book*, which is now in preparation, will appear in December 1939.

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<sup>1</sup> M. Th. Ruyssen, Secretary-General of the International Federation of League of Nations Societies, in the course of a "Conversation" organised by the Liaison Committee of Major International Associations on the "Nature and Scope of International Solidarity", compared and analysed these data as contained in the last two editions of the *Handbook of International Organisations* published by the League of Nations. This study of M. Ruyssen's appears under the heading "The Organisation of International Solidarity: Its Deficiencies", in a pamphlet entitled *The Nature and Scope of International Solidarity* published by the Liaison Committee of Major International Associations, pages 26 and following.

<sup>2</sup> To take an example in the sphere which most directly concerns the future of international life—that of education—an impressively wide field is covered by the activities of the twenty-nine big associations grouped in the Liaison Committee of Major International Associations.

## BUDGETARY AND ADMINISTRATIVE QUESTIONS

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### I. ACCOUNTS FOR THE YEAR 1938

The accounts for the year 1938 were examined by the auditor, M. U. A. J. Brunskog, and were considered by the Supervisory Commission, whose report is submitted to the 1939 Assembly.<sup>1</sup>

### II. GENERAL FINANCIAL RESULTS OF THE YEAR 1938

The budget amounted to 32,273,251 Swiss francs; the expenditure was 28,180,087.97 Swiss francs. The receipts in respect of contributions for the year amounted to 27,053,103.96 Swiss francs, and the total income, including contributions appertaining to previous years and miscellaneous receipts, was 28,054,028.65 Swiss francs. A proposal will be made to the Assembly to cover the resulting deficit of 126,059.32 Swiss francs without resort to an appropriation in the budget for the financial year 1940.

### III. FINANCIAL POSITION OF THE LEAGUE ON JULY 1ST, 1939

#### *Results of the First Six Months.*

During the first six months of the year 1939, the amount of contributions received totalled 10,749,322.24 gold francs, or 47.14% of the budget, as against 10,979,407.21 gold francs, or 48.40% of the budget, for the corresponding period last year.

Of the sums paid, 9,635,850.74 gold francs represented payments in respect of the current year and 1,113,471.50 gold francs in respect of arrears.

### IV. BUDGET FOR THE YEAR 1940

The 1938 Assembly decided that a committee of five persons should be set up "to examine thoroughly the standing charges in the budgets of the Secretariat and the International Labour Organisation and recommend what economies could be carried out either immediately or in the near future." It also requested

<sup>1</sup> Document A.3.1939.X.

“the Secretary-General and the Director of the International Labour Office to prepare their draft budgets for 1940 in the light of the recommendations of the Committee”.

The Committee (known as the Committee on Budgetary Economies) met on two occasions at the end of 1938, and reached the following principal conclusions :

(a) To take present circumstances into account and to avoid any increase in contributions, it is desirable to aim at a reduction of about 20% in the budget. In other words, the budget, which for 1939 amounts to 32,234,000 Swiss francs, should be reduced by about 6½ million francs to approximately 25½ million francs.

(b) While a drastic reduction in the budget is inevitable, it is important to bear in mind that the contributions, even if so decreased, may not be paid in full during the budgetary year. In other words, to ensure the financial stability of the League, it is essential that, in addition to this reduction, the budget should be sufficiently elastic to enable, if necessary, economies to be effected in the credits as voted.

In the light of these two conclusions, the Supervisory Commission examined the budget for 1940, the total of which, in the form in which it was adopted, amounts to 25,403,988 Swiss francs, as against 32,234,012 Swiss francs in 1939, so that there is a reduction of 6,830,024 Swiss francs, or 21.18%. On the assumption that the Assembly approves the recommendations of the Committee for the Allocation of Expenses, which has fixed the number of units for 1940 at 817,453, the value of the unit will be 21,980.97 gold francs, which is 284.83 gold francs less than the value of the unit in 1939, and 11,598 gold francs, or 34.53% less than in 1932.

The budget of the Secretariat amounts to 12,944,215 Swiss francs, as against 16,188,063 Swiss francs in 1939. Thus the reduction on the current financial year is 3,243,848 Swiss francs, or 20.03%. As compared with the 1932 budget, which amounted to 18,813,413 Swiss francs, the reduction is 31.19%. The total is the lowest since the 1921 budget, which amounted to 11,700,000 Swiss francs.

The analysis of the reductions made over 1939 shows a cut of 1,701,967 Swiss francs in salaries, of 422,829 Swiss francs in general charges, and of 1,050,000 Swiss francs due to the elimination of the extraordinary credit for anti-epidemic work in China. To sum up, the economies made amount to 3,174,796

Swiss francs,<sup>1</sup> as against the total of 3,050,000 Swiss francs proposed by the Committee on Budgetary Economies. The total reduction is increased to 3,527,460 Swiss francs, if account is taken of certain other elements, such as the consequential reduction in the estimate for the Pensions Fund.

It should finally be pointed out that, notwithstanding these considerable reductions, no change was made in the lump-sum cuts, which, as in 1939, amount to a total sum of 1,350,000 Swiss francs, spread over three chapters of the budget.

On the basis of the report of the Committee on Budgetary Economies, the Secretary-General examined the organisation and working of the Secretariat in full detail, with the assistance of an internal committee appointed by him for the purpose. These combined efforts resulted in the abolition of eighty-nine officials' posts, representing a sum of 1,415,704 Swiss francs, (which is included in the figure of 1,701,967 francs quoted above) and in the introduction of a number of reforms, the effect of which is apparent in the budget now submitted to the Assembly.

#### V. STAFF PENSIONS FUND

The Supervisory Commission discussed with the Administrative Board of the Staff Pensions Fund the means whereby the stability of the Fund could be ensured. After an exhaustive enquiry, it was agreed that the officials' contributions should be increased by between  $\frac{1}{2}$ % and 1% according to the amount of the salary received, the contribution from the League being simultaneously raised by  $1\frac{1}{2}$ %. As a result of this recommendation, the security and inherent soundness of the Fund would be strengthened.

#### VI. CONTRIBUTIONS IN ARREAR

The position with regard to contributions in arrear has deteriorated as a result of the general political situation. The total arrears on December 31st, 1938, amounted to 4,546,494.73 gold francs as compared to 1,753,446.57 gold francs on December 31st, 1937.

During the first half of 1939, payments in respect of arrears amounted to 1,113,061.72 francs, thus leaving a balance of 3,433,433.01 francs still unpaid.

The Special Committee on Contributions has met on three occasions and will report to the Assembly at its coming session.

<sup>1</sup> The difference between his figure and that of 3,243,848 Swiss francs previously mentioned corresponds to an increase in the receipts of 1940 over those of 1939.

## LEGAL AND CONSTITUTIONAL QUESTIONS

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### I. THE PROBLEM OF THE COMPOSITION OF THE COUNCIL

The last occasion on which this question was considered by the Assembly was at its ordinary session of 1936. A committee had been set up by the Council to report upon the question of the number of the Members of the Council—a question which had been raised in 1933 but had not received a solution satisfactory to all the Members of the League—and upon the representation of Asia on the Council and the claim of China to become once more a member of that body. The Assembly, on October 1st, 1936, accepted the Committee's opinion that:<sup>1</sup>

“ The objections which, in 1933, stood in the way of a definitive solution of the questions connected with the non-permanent seats on the Council still exist, and, indeed, have become more acute. At a time when far-reaching issues have been raised as to the ultimate functions of the Council and the League itself, it seems undesirable to attempt permanent changes in the composition or mode of election of the Council.”

Accordingly, a provisional solution recommended by the Committee was adopted. By resolutions of the Council and the Assembly, adopted respectively on October 2nd and on October 1st and 3rd, 1936, the number of non-permanent seats on the Council, which would otherwise have fallen to nine,<sup>2</sup> was provisionally increased to eleven “ for the period ending with the election of the non-permanent Members in the year 1939 ”. As the result of this decision, China was re-elected to the Council.

At the same time, the Assembly, in agreement with the report of the Committee, felt it to be “ undesirable that a definitive solution of the problems in connection with the composition of the Council should be postponed longer than is necessary,” and accordingly it recommended “ that, so soon as circumstances permit, the Council will appoint and convene a small committee

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<sup>1</sup> Document A.9.1936.V, paragraph 5.

<sup>2</sup> The number of non-permanent seats was definitely raised to nine in 1926; a tenth seat was created provisionally on October 5th, 1933, for the period ending with the elections of 1936. In the absence of action by the Council and Assembly, the number was thus due to fall to nine at the election of 1936.

of experts to draw up proposals on the subject" (Resolution of October 1st, 1936).

Unfortunately, the development of events has not at any time since 1936 been such as to enable the Members of the Council to feel that the Assembly's hope of a final decision as to the composition of the Council could be secured by the appointment of the committee of experts. On January 16th last, when the Secretary-General called the Council's attention to the matter, setting out the terms of the Assembly's recommendation regarding the appointment of a committee, the Council did not feel it would be useful to take this measure and accepted the Secretary-General's view that failure to do so would not prejudice action regarding the two seats provisionally created in 1936.

These two seats will automatically cease to exist unless the Council and the Assembly otherwise decide. The subject is on the Assembly's agenda (Item 8).

## II. WORK OF THE COMMITTEE FOR THE STUDY OF THE LEGAL STATUS OF WOMEN

At the close of its second session (held in January 1939), the Committee published its first "Report on the Progress of the Enquiry".<sup>1</sup>

A third session was held in July.

The Committee, which owes its creation to the Assembly's resolution of September 30th, 1937,<sup>2</sup> was appointed to direct an enquiry the conduct of which was to be entrusted to the appropriate scientific institutes, in particular the International Institute for the Unification of Private Law at Rome, the International Institute of Public Law at Paris and the International Bureau for the Unification of Penal Law. The results are to be embodied, in the form approved by the Committee, in a League publication which, it is hoped, will give as comprehensive a picture as possible of the legal status of women in the various countries.

The Committee is in close touch with the above-mentioned institutes and, at each of its sessions, has discussed their work with their representatives.

The exact scope of the enquiry was left to be settled by the Committee. For law of the Western type, the institutes are

<sup>1</sup> Document C.59.M.21.1939.V.

<sup>2</sup> See *Report on the Work of the League, 1937/38, Part I, pages 178-181.*



competent, but difficulty has arisen with regard to law which is not of the Western type (such as Mohammedan law and Hindu law), and as regards the status of women among the primitive races. The institutes do not consider themselves to have adequate means at their disposal for studying these subjects.

The Committee has, however, been able to make arrangements which will enable it to publish an account of typical examples of oriental law. It was not possible to make similar arrangements as regards the primitive peoples. As stated in its first report, the Committee has reached the conclusion that it "does not feel able to take responsibility for directing the compilation for primitive races of a survey such as is contemplated by the Assembly's resolution", but it adds that "this, of course, does not prejudice the question whether such a study should be made by the League".

The Committee in its first report expresses its great satisfaction at the help which it is receiving from the women's international organisations, with whose representatives it has discussed the measures it is taking and the ways in which the organisations can best assist it.

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27.

REGISTRATION AND PUBLICATION OF TREATIES AND  
INTERNATIONAL ENGAGEMENTS

(ARTICLE 18 OF THE COVENANT)

PRESENT SITUATION WITH REGARD TO INTERNATIONAL  
ENGAGEMENTS REGISTERED WITH THE SECRETARIAT  
OF THE LEAGUE OF NATIONS

As in previous years, the registration of treaties by the Secretariat has been carried out according to the method laid down by the Council of the League of Nations (on May 19th, 1920).

Between May 19th, 1920, and May 19th, 1939, 4,568 treaties and international engagements have been submitted for registration, 211 of which were submitted during the period between May 19th, 1938, and May 19th, 1939.

The treaties registered have, as in previous years, dealt with various subjects, as may be seen by consulting the following list, which gives a general idea of the character of the agreements registered during the period in question.<sup>1</sup>

*Treaties of Peace, Friendship, Alliance, Neutrality, etc.*

Registration

No.

- |      |   |
|------|---|
| 4365 | Denmark, Finland, Iceland, Norway and Sweden. |
| 4424 | Iraq and Iran.                                |
| 4431 | Afghanistan and Czecho-Slovakia.              |
| 4437 | Egypt and Turkey.                             |
| 4493 | Greece and Turkey.                            |
| 4516 | China and Estonia.                            |

*Arbitration, Conciliation and Judicial Settlement.*

- |      |                            |
|------|----------------------------|
| 4425 | Iraq and Iran.             |
| 4548 | Inter-American Convention. |

<sup>1</sup> Some of the International Engagements mentioned in the list, dealing with several subjects, may be classified under several heads.

- Registration  
No.                      *Treaty of Non-Aggression.*  
4402      Afghanistan, Iraq, Iran and Turkey.

*Political Questions.*

- 4537      Great Britain and Northern Ireland and Italy.  
4538      Great Britain and Northern Ireland, Egypt and Italy.

*Consular Conventions, Conventions concerning Conditions of  
Residence and Similar Questions.*

- 4414      Belgium and Siam.  
4438      Egypt and Turkey.  
4531      Argentine Republic and the Netherlands.  
4564      Roumania and Turkey.

*Judicial and Extradition Conventions.*

- 4362      Albania and Czecho-Slovakia.  
4420      Belgium and Switzerland.  
4436      United States of America and Norway.  
4446      Great Britain and Northern Ireland, Commonwealth  
            of Australia and New Zealand and Luxemburg.  
4479      General Convention.  
4491      Greece and Grand-Duchy of Luxemburg.  
4518      Mexico and Panama.  
4523      Great Britain and Northern Ireland and Switzerland.  
4550      France and Switzerland.  
4552      Poland and Switzerland.

*Military Questions and Similar Questions.*

- 4454      United States of America and Lithuania.  
4539      Great Britain and Northern Ireland and Bulgaria.  
4557      United States of America and Brazil.

*Naval Questions.*

- 4535      Great Britain and Northern Ireland and Poland.

*Air Navigation.*

- 4378      Union of South Africa and Germany.  
4380      Union of South Africa and Portugal.  
4393      Germany and Estonia.

Registration  
No.

*Air Navigation (continued).*

- 4405 Great Britain and Northern Ireland and Hungary.
- 4409 Great Britain and Northern Ireland and China.
- 4410 Great Britain and Northern Ireland, Commonwealth of Australia, New Zealand and India and Belgium.
- 4429 Germany and Roumania.
- 4430 Italy and Czecho-Slovakia.
- 4451 Great Britain and Northern Ireland, Commonwealth of Australia, New Zealand and India and Sweden.
- 4464 United States of America and Canada.
- 4465 United States of America and Canada.
- 4466 United States of America and Canada.
- 4469 France and the Netherlands.
- 4481 Great Britain and Northern Ireland, Commonwealth of Australia, New Zealand and India and Switzerland.
- 4482 Great Britain and Northern Ireland, Commonwealth of Australia, New Zealand and France.
- 4499 Norway and the Netherlands.
- 4509 Italy and the Netherlands.
- 4536 Great Britain and Northern Ireland and France.

*Commerce, Navigation and Customs.*

- 4359 Finland and Greece.
- 4363 Brazil and Czecho-Slovakia.
- 4364 Chile and Sweden.
- 4366 Great Britain and Northern Ireland and Siam.
- 4372 Union of South Africa and France.
- 4373 Union of South Africa and Italy.
- 4374 Union of South Africa and France.
- 4377 Union of South Africa and Czecho-Slovakia.
- 4384 New Zealand and Switzerland.
- 4386 Belgium, Denmark, Finland, Luxemburg, Norway, the Netherlands and Sweden.
- 4387 Hungary and Iran.
- 4388 Hungary and Latvia.
- 4395 Germany and the Netherlands.
- 4401 United States of America and Chile.
- 4404 Germany and Greece.
- 4413 Economic Union of Belgium and Luxemburg and Siam.
- 4415 Egypt and Iraq.

Registration No.	<i>Commerce, Navigation and Customs (continued).</i>
4416	Norway and Poland.
4417	Italy and Norway.
4422	Denmark and Haiti.
4433	United States of America and Venezuela.
4435	Finland and Norway.
4444	United States of America and Bulgaria.
4449	Great Britain and Northern Ireland and Poland.
4450	Great Britain and Northern Ireland and Portugal.
4480	Great Britain and Northern Ireland and Cuba.
4488	Germany and Denmark
4489	United States of America and Ecuador.
4492	Italy and Czecho-Slovakia.
4495	Greece and Lithuania.
4497	Estonia and the Netherlands.
4502	Greece and Poland.
4503	Estonia and Switzerland.
4504	Sweden and Yugoslavia.
4505	Commonwealth of Australia and Switzerland.
4507	Canada and Haiti.
4508	Canada and Guatemala.
4510	Brazil and Denmark.
4513	Sweden and Turkey.
4517	Estonia and Sweden.
4521	Ecuador and the Netherlands.
4533	Greece and Latvia.
4534	Bulgaria and Greece.
4540	Denmark and Norway.
4541	Norway and Sweden.
4544	United States of America and Greece.
4554	Ecuador and Sweden.
4558	Chile and Cuba.
4559	Economic Union of Belgium and Luxemburg and Latvia.
4561	Denmark and Sweden.
4565	Cuba and Portugal.
4568	Switzerland and Yugoslavia.

*Economic and Financial Conventions and Conventions regarding Taxes.*

4381	Latvia and Union of Soviet Socialist Republics.
4382	Germany and Latvia.

*Economic and Financial Conventions and Conventions regarding  
Taxes (continued).*

Registration  
No.

- 4392 United States of America and Sweden.
- 4403 Germany and the Netherlands.
- 4406 General Agreement.
- 4411 Great Britain and Northern Ireland and Turkey.
- 4418 Belgium and the Netherlands.
- 4421 Denmark and the Netherlands.
- 4427 Denmark, Finland, Iceland, Norway and Sweden.
- 4428 Poland and Roumania.
- 4441 Estonia, Latvia and Lithuania.
- 4442 Estonia, Latvia and Lithuania.
- 4443 Germany, Belgium and Grand-Duchy of Luxemburg.
- 4452 Great Britain and Northern Ireland and Switzerland.
- 4453 Great Britain and Northern Ireland and Roumania.
- 4458 General Agreement.
- 4459 General Convention.
- 4460 United States of America and the Netherlands.
- 4463 United States of America and Haiti.
- 4467 Denmark and the Netherlands.
- 4468 Germany and the Netherlands.
- 4475 Germany and Panama.
- 4477 United States of America and Nicaragua.
- 4478 Latvia and Poland.
- 4496 Economic Union of Belgium and Luxemburg and  
Roumania.
- 4498 Estonia and Lithuania.
- 4501 Finland and Lithuania.
- 4506 Finland and the Netherlands.
- 4512 Estonia and Latvia.
- 4514 Sweden and Turkey.
- 4515 Sweden and Turkey.
- 4522 France and Switzerland.
- 4525 Germany and Great Britain and Northern Ireland.
- 4526 Germany and Great Britain and Northern Ireland.
- 4527 Germany and Great Britain and Northern Ireland.
- 4532 The Netherlands and Roumania.
- 4542 Estonia and the Netherlands.
- 4567 Economic Union of Belgium and Luxemburg and  
Yugoslavia.

Registration No.	<i>Hunting and Fisheries.</i>
4360	Finland and Norway.
4361	Finland and Norway.

*General Relations.*

4358	Denmark and Siam.
4367	Japan and Siam.
4368	Germany and Siam.
4389	Italy and Siam.
4412	Siam and Switzerland.
4476	United States of America and Siam.
4485	The Netherlands and Siam.
4528	Germany and Great Britain and Northern Ireland.

*Delimitation of Frontiers, Frontier Traffic and Similar Questions.*

4390	Guatemala and Salvador.
4407	Belgium and Great Britain and Northern Ireland.
4408	Belgium and Great Britain and Northern Ireland.
4423	Iraq and Iran.
4440	Belgium and Grand-Duchy of Luxemburg.
4500	Colombia and Panama.
4511	Bulgaria and Yugoslavia.
4551	France and Switzerland.
4553	France and Switzerland.

*Communications and Transit, Passports.*

4369	Hungary and Latvia.
4370	Greece and Hungary.
4379	Union of South Africa and United States of America.
4383	Norway and Sweden.
4391	General Arrangement.
4396	Belgium and the Netherlands.
4399	Hungary and Norway.
4419	Union of South Africa and Finland.
4445	United States of America and France.
4457	Lithuania and Poland.
4462	Lithuania and Poland.
4483	General Convention.
4484	General Convention.
4543	Greece and Turkey.
4563	Finland and Hungary.

Registration No.      *Waterways and Inland Navigation.*

- 4397      Hungary and Czecho-Slovakia.  
4456      Lithuania and Poland.  
4566      Belgium, France and the Netherlands.

*Tonnage Measurement.*

- 4545      Finland and Sweden.  
4560      Great Britain and Northern Ireland and India and  
            Egypt.

*Administrative Questions.*

- 4398      France and Monaco.  
4432      United States of America and Cuba.  
4546      France and Norway.  
4556      United States of America and Mexico.  
4562      United States of America and Finland.

*Social and Labour Questions.*

- 4547      Latvia and Poland.  
4555      Belgium and France.

*Health Questions.*

- 4371      Denmark and Sweden.  
4486      General Convention.  
4487      General Convention.  
4524      India and French Indo-China.

*Intellectual and Artistic Relations.*

- 4400      Estonia and Hungary.  
4426      Finland and Hungary.  
4520      Finland and Poland.

*Scientific Questions.*

- 4394      General Agreement.

*Nationality and Similar Questions.*

- 4439      Egypt and Turkey.  
4494      United States of America and Switzerland.



Registration No.	<i>Refugees.</i>
4461	General Convention.

*Postal, Telephonic, Telegraphic and Radiotelegraphic Conventions.*

4375	General Agreement.
4376	General Agreement.
4385	Great Britain and Northern Ireland and the Netherlands.
4434	United States of America and Japan.
4447	Malaya and Siam.
4448	Malaya and Siam.
4455	Lithuania and Poland.
4470	Kenya, Uganda, Tanganyika and Egypt.
4471	Great Britain and Northern Ireland and France.
4472	Mexico and Sweden.
4473	United States of America and Sweden.
4474	Lithuania and Sweden.
4490	United States of America and British Guiana.
4519	United States of America and Iceland.
4529	Great Britain and Northern Ireland and Poland.
4530	Great Britain and Northern Ireland and France.
4549	United States of America and Yugoslavia.

The following table gives the number of treaties registered with the Secretariat at the request of the various States during the period from May 19th, 1938, to May 19th, 1939 :

United States of America	.. .. .	25
Union of South Africa	.. .. .	10
Australia	.. .. .	1
Belgium	.. .. .	10
Great Britain and Northern Ireland	.. .. .	37
Canada	.. .. .	2
Cuba	.. .. .	5
Czecho-Slovakia	.. .. .	6
Denmark	.. .. .	5
Egypt	.. .. .	6
Estonia	.. .. .	8
Finland	.. .. .	11
France	.. .. .	3
Greece	.. .. .	10
Hungary	.. .. .	8
Iran	.. .. .	1

Iraq .. .. .	3
Latvia .. .. .	6
Lithuania .. .. .	7
The Netherlands .. .. .	20
New Zealand .. .. .	1
Norway .. .. .	13
Panama .. .. .	3
Roumania .. .. .	3
Salvador .. .. .	1
Siam .. .. .	9
Sweden .. .. .	18
Switzerland .. .. .	9
Turkey .. .. .	1
Yugoslavia .. .. .	4
International engagements concluded under the auspices of the League of Nations, deposited with the Secretariat and registered in consequence of their entry into force .. .. .	3

The Secretariat has also registered many accessions, ratifications, denunciations, etc., concerning Conventions previously registered at the request of various States.

It has also registered further information relating to general Conventions which it had already published.

International engagements are published in the *Treaty Series* in their original languages, with translations into French and English, when they have not been drawn up in one of these two languages.

Up to the present, 193 volumes of about 450 pages each, containing 4,500 treaties, have been published by the Secretariat. Other volumes will appear in the near future.

28.

LIBRARY OF THE LEAGUE OF NATIONS

*Additions to the Library.*

The Library has acquired 6,164 books and 3,715 volumes of official publications from Governments.<sup>1</sup>

The Library has also received 264 new periodicals in addition to the 2,468 periodicals which it already possesses. This figure does not include the 1,016 official periodicals received from Governments.

Including these various additions, the Library now possesses about 296,000 volumes.

The geographical collection has received 536 new maps, bringing the total to about 16,500.

*Publications of the Library.*

The *Monthly List of Selected Articles* has continued to appear regularly. It is based on the analysis of 1,632 periodicals and official journals, and contains a total of 8,685 references.

The *Chronology of International Treaties and Legislative Measures*, which analyses the official journals and law collections of nearly every country of the world, contains a total of 2,604 references.

These two publications are much appreciated by the civil services, libraries, banks, etc., of various countries, which are thus enabled to benefit from the material collected by the League of Nations Library. Of these publications 62% are supplied to subscribers and in the form of exchanges, while the remaining 38% make up the official distribution.

The *Monthly List of Books catalogued in the Library* has continued to appear regularly.

The Library also publishes for the use of the Secretariat a weekly *List of Additions to the Government Documents Collection* and the *Fortnightly Survey of Political Events*, with 1,584 references to the daily newspapers kept in the Library. Since May 1938, the latter publication has been supplemented by the

<sup>1</sup> The statistics contained in this chapter cover the period from May 1st, 1938, to April 30th, 1939.

List of Newly Concluded International Engagements not yet registered with the Secretariat, prepared by the Legal Section.

In addition to these periodicals, the Library has also published for the use of the Secretariat an *Alphabetical List of Periodicals* received by it.

The Information Section has recently issued an illustrated pamphlet on the Library, based on information supplied by the latter.<sup>1</sup>

#### *Attendance at Reading-rooms.*

The number of readers' cards issued during the year was 637. The number of readers (admittances) was 18,923. The maximum was reached in September 1938 with an average of 78 admittances daily.

#### *Loans to the Secretariat.*

Books and periodicals	Government documents
21,176 <sup>2</sup>	28,828 <sup>3</sup>

#### *Photostatic Reproductions.*

The photostatic workshop received 1,340 orders for the reproduction of rare or out-of-print works, which were punctually carried out.

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<sup>1</sup> *The League of Nations Library*, No. 10 of the series entitled *League of Nations Questions*, Geneva, 1938, 45 pages.

<sup>2</sup> Including the circulation of 14,840 numbers of periodicals regularly sent round the Secretariat.

<sup>3</sup> Including the circulation of 9,000 numbers of official journals regularly sent round the Secretariat.

## STORAGE OF SPANISH WORKS OF ART AT THE LEAGUE BUILDING

From the beginning of February to the end of April 1939, the League building sheltered the Spanish art treasures brought from Catalonia to Geneva to remove them from the risks of war.

Since 1936, the risks run by the Spanish works of art had on several occasions given rise to concern in artistic circles throughout the world. When it was learnt at the beginning of 1939 that numerous masterpieces from the Spanish museums were stored in the north of Catalonia—*i.e.*, in a particularly exposed area—this anxiety became still more acute.

At the beginning of January 1939, on the proposal of the painter José-Maria Sert, the Paris Academy of Fine Arts, the French Council of National Museums and the Société des Amis du Louvre expressed the wish that the masterpieces of the Prado Museum should be conveyed to the League of Nations building, which was regarded as a neutral place of shelter where their security could be provided for in the most favourable conditions. Following upon the expression of this wish, an international committee (International Committee for the Safeguarding of the Spanish Art Treasures) was formed. This Committee included American, Belgian, British, French, Netherlands and Swiss members, all of whom were at the head of museum committees in their own countries. The chairman of the Committee was M. David Weill, President of the French Council of National Museums.

This International Committee undertook to negotiate with the Spanish authorities who had the works of art in question in their keeping, with a view to obtaining authorisation to bring them into France and convey them to Geneva.

The outcome was a convention, which was signed on February 3rd at Figueras by M. Alvarez del Vayo on the one hand, and by M. Jaujard, Assistant Director of French National Museums, on behalf of the International Committee, and Mr. McLaren, delegate of the National Gallery, London, on the other.

This convention contained two articles stipulating: (1) that the works and objects of art should be entrusted to the Secretary-General of the League of Nations, who would give a receipt for

them ; (2) that this receipt should carry with it an undertaking that, when peace was restored in Spain, the works and objects of art entrusted to the Secretary-General should be returned to the Spanish Government, in order that they should "remain the common property of the Spanish nation".

The Secretary-General had stated that, in view of the exigencies of the situation, he accepted these two obligations, but that, as the operation was neither authorised nor covered by any decision of the Assembly or the Council of the League of Nations, he could not incur any expenditure, even by way of an advance, or pledge the collective responsibility of the League of Nations.<sup>1</sup>

Evacuation and transport were organised by M. Jaujard, assisted by M. Henraux, Chairman of the Société des Amis du Louvre, and Mr. McLaren, of the National Gallery, with the help of M. Perez Rubio and M. Giner Pentoja, President and member respectively of the Junta nacional del Tesoro Artístico, who had looked after the works of art during their peregrinations. At 9 a.m. on February 4th, the first seven lorries crossed the frontier at Le Perthus. From February 4th to 8th, seventy-one lorries crossed the frontier, bringing into French territory the works of art, which had been stored in four places—Figueras, Perelada, Labajol and Darnius. As and when they arrived at the French frontier, the Spanish works of art were placed under Customs supervision and under the guard of detachments of French soldiers.

On February 9th, the loading of all the articles was begun at Céret station, and on February 12th a train with 1,845 cases containing the works of art left Perpignan for Geneva. At the Franco-Swiss frontier, the Swiss gendarmerie and Customs officers took over from the French guards and Customs officers. The supervision and guarding of the works of art were to cease only when they were handed over by the Secretary-General to the representatives of the Spanish Government.

By February 17th, all the works of art had been conveyed to the League of Nations building.

Beginning on March 4th, the inventory of the Spanish pictures, tapestries and *objets d'art* thus transported was finished on March 24th.<sup>2</sup>

The examination showed the experts that the contents of the cases were in perfect condition.

<sup>1</sup> The whole of the expenses of evacuation, which amounted to a considerable sum, was covered by private advances collected and administered by the International Committee.

<sup>2</sup> The finished inventory contains 193 pages.

The work of making the inventory was directed by M. Jaujard, with the help of M. Perez Rubio and M. Giner Pentoja. It was carried out by M. Vergnet-Ruiz, of the Louvre Museum, Mr. McLaren, of the National Gallery, and M. Gielly, of the Musée d'Art et d'Histoire of Geneva, as experts on painting; and by M. W. Deonna, Director of the Musée d'Art et d'Histoire of Geneva, M. Carle Dreyfus, of the Louvre Museum, and Mr. Michael Stewart, of the Victoria and Albert Museum, as experts on tapestries and *objets d'art*. M. J. M. Sert, delegate of the Spanish Government, was also present during the making of the inventory, as well as M. J. Vallery-Radot, representing the Secretary-General.

In pursuance of the Figueras agreement, M. Avenol handed over the works of art on March 30th to the representative of the Spanish Government, in the presence of M. Paul Lachenal, delegate of the International Committee.

Nevertheless, the works of art remained in storage at the League building until April 29th.

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30.

PARTICIPATION OF THE LEAGUE OF NATIONS  
IN THE NEW YORK WORLD'S FAIR (1939)<sup>1</sup>

In September 1937, Mr. Grover Whalen, President of the New York World's Fair, in a letter to the Secretary-General of the League of Nations forwarded by the United States Minister at Berne, invited the League of Nations to participate in the New York World's Fair, which was to open on April 30th, 1939. The President said that the purpose of the Fair was :

“To present a clear idea of the mesh of interdependence and interrelations in which all men, all peoples, all nations are caught, and to show the tools with which that much desired better world of to-morrow is to be built.”

He added that as the social, humanitarian, cultural and economic aims of the League of Nations were identical with the objects of the New York World's Fair, its participation was most desirable.

In January 1938 the Council decided that the League of Nations should participate in the Fair, and, in September 1938, the nineteenth Assembly confirmed that decision.<sup>2</sup>

In the preparation of plans for the League's participation, the Secretary-General consulted various experts.<sup>3</sup>

In order to give the League exhibits a rational and logical character, one or more general conceptions had to be selected as a basis. The plan finally drawn up for the Pavilion rested upon certain underlying ideas, to illustrate which a great wealth of exhibits has been prepared and assembled. ¶

<sup>1</sup> At the invitation of a number of exhibition committees, the League of Nations has also participated, or is participating, in a modest way—for example, by sending an appropriate selection of its publications—in the following exhibitions :

Exhibition of Infant Hygiene, Belgrade, October 1938.

Road Exhibition, The Hague, June-July 1938.

Empire Exhibition (Peace Pavilion), Glasgow 1938.

• • • Book Exhibition, Bogota, July-August, 1939.

Danish Health Exhibition, Copenhagen, April 1939.

San Francisco Exhibition, 1939.

Swiss National Exhibition, Zurich, 1939.

<sup>2</sup> The 1937 Assembly opened an initial credit of 300,000 Swiss francs for this purpose, and that of 1938 raised the appropriation to 1,200,000 francs.

<sup>3</sup> Including the Rev. Father de Reviere de Meunier, of Paris, Commissioner of the Vatican Pavilion at the 1937 Paris Exhibition, who, in March 1938, was appointed technical adviser to draw up detailed plans for the Exhibition and for the League Pavilion. The architects of the building are M. R. Petit, of Paris, and M. Stuyt, Member of the League Secretariat. Mr. van Erp, of New York, is supervising the erection of the Pavilion.



The first of these ideas is that the League marks the climax of a very long historical process reaching back to the origins of human society. As human organisation grew more and more complicated, the need for an international order was generally realised and eventually became an urgent necessity. The League of Nations is the modern expression of a very ancient problem, now more pressing than ever before.

Although a recent institution, it already has great achievements to its credit. It is these technical and political achievements which the League Pavilion will show to visitors in the most vivid and suggestive form possible.

A third idea has also been embodied in the planning of the Pavilion—namely, society's inevitable choice between order and disorder, law and violence. Faced with a dilemma, will mankind choose a world disorganised and doomed to wage war or a universal organisation to guarantee world order?

The architectural form of the Pavilion symbolises the two planes on which the League has evolved. The base, which is of pentagonal form, illustrates the work accomplished in the five continents. The superstructure, of circular shape, suggests the universalising aims and ideals which are the League's inspiration.

The Pavilion comprises five pentagonal rooms, distributed round the circumference of the building. In the centre, a large circular hall, surmounted by a dome, marks the culminating point of the Pavilion. Visitors enter this hall last. As they pass through the surrounding rooms, they are able to follow the historical development and multifarious activities of the League.

The total height of the Pavilion is 27 metres and its width 32 metres.

*The entrance hall*, very simple in style, is decorated by a large metal shield on a black base. This shield bears the inscription "Peace on earth—goodwill to men".<sup>1</sup>

*Room I* is intended to recall the long historical process which culminated in the League of Nations.

In the upper part of the room, six large hangings illustrate the advance of humanity from the smallest possible group—the family—to the union and complete understanding of the peoples by federation, passing successively through the village, the clan, the mediæval State and the nation.

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<sup>1</sup> Architect: M. J. Braunwald.

In the lower part, portraits, quotations, texts and documents recall some of the great men and historical events that have helped to develop the idea of international organisation.

Following upon this historical survey, in a niche between two columns, is placed a model of the League of Nations buildings. Above this, three groups of inscriptions recall the League's antecedents, the Peace Conference and the birth of the League.

A special space has been reserved for the League Library.

On the circular wall of the room, a metal tree shows the various branches of the League's activities.<sup>1</sup>

*Room II* is devoted to the League's public health work. "Health by international co-operation" is the motto of this room, which is placed under the ægis of the "Good Samaritan".

Five large panels illustrate five specially characteristic spheres of the League's work—the activities of the Eastern Bureau as a centre of epidemiological information; the campaign undertaken by the League against malaria; biological standardisation, sero-diagnosis and the treatment of syphilis; the campaign for the improvement of nutrition; and, lastly, co-operation with the various Governments.

This last panel represents certain aspects of the League's co-operation with China.

Maps, photographs, composite photographs, documents and drawings illustrate the League's numerous efforts in these different fields.<sup>2</sup>

The theme of *Room III* is displayed in two different places.

Round the circular wall of the room, adjacent to the central hall, runs a prominent inscription: "No social progress without prosperity". Six bas-reliefs surrounding this inscription illustrate subjects dealt with in the room—mandates, slavery, refugees, narcotic drugs, child welfare and the campaign against the traffic in women.

The walls of the room bear three large and two smaller panels.

One of these illustrates the work of the League in its capacity as the guardian of territories under mandate, and its efforts for the abolition of slavery and the slave trade. A second panel illustrates the League's efforts to develop child welfare.

A large map of the world is placed under the photograph of Nansen, whose name symbolises the League's relief work on behalf of refugees. Documents and texts are provided indicating the scope of this work.

<sup>1</sup> Architect: M. J. Braunwald.

<sup>2</sup> Architect: M. Y. M. Froidevaux.

Two other panels are devoted to the campaign against the traffic in women and that against drugs.<sup>1</sup>

*Room IV* has as its general title: "No prosperity without peace".

A large map of the world shows that the latter has, in a certain sense, shrunk as a result of scientific discoveries and progress, and that the nations thus come to depend more and more upon one another. This map shows the principal lines of inter-continental communication, both ancient and modern, maritime and aerial, crossing the various oceans in an ever shorter time.

An inscription under this map of the world reads: "In a world growing smaller, no nation escapes depression; all share prosperity". Graphs illustrate both national and world-wide economic depressions.

Below the map of the world appears a survey of the League's plans and work in the sphere of economics and transport. In the centre, on a base consisting of publications and documents, a hive symbolises the work of analysis and synthesis accomplished by the League Economic Intelligence Service. Dioramas placed beside the hive illustrate the advantages of unifying road signals and maritime buoying, thus increasing the safety of transport by land and sea. Two other dioramas deal with the questions of liquid fuel and the Radio Nations wireless station.<sup>2</sup>

*Room V* is devoted to the League's work for peace. This work is defined in the words: "No peace without order".

The attention of the public is directed to three main ideas: Peace must be built up by an international organisation; disputes must be legally settled by a permanent court of international justice; closer union between nations must be morally prepared by an intellectual co-operation organisation.

A large panel represents the problem of the armaments race. A graph shows the stages of this race since 1910, and the annual world outlay on armaments. A metallic frieze represents modern war material. Side by side with this, photographs show the pacific equivalents of military expenditure, such as milk bottles, day nurseries, hospitals, roads, etc.

How is the world to avert the general ruin threatened by this race and the insecurity resulting from it? The inscriptions recall the principles of the Covenant and the League's efforts to secure a reduction of armaments.

<sup>1</sup> Architect: M. Paul Winter.

<sup>2</sup> Architect: M. Raymond Petit.

On a semi-circular screen panels have been placed, separated by large figures in bas-relief representing Peace, Justice and Prudence.

Over the panel devoted to the Council and the Permanent Court of International Justice is a large inscription : " Peaceful settlement of disputes by diplomacy and by law ".

The panel devoted to the Permanent Court of International Justice shows the extent of its jurisdiction and the large number of cases which have been referred to it.

That reserved for the Council consists of a large map of the world indicating States Members and non-members of the League. Numbered points in relief on this map show the disputes with which the League has dealt since 1920.

Another panel illustrates the work of intellectual co-operation.

Having thus passed in review the spectacle of an armaments race leading to war, the means by which it may be remedied and the results obtained by agreement between Governments within the framework of an international society, the visitor will have completed his inspection of the technical aspects of the League and will pass into Room VI.<sup>1</sup>

*Room VI* forms the culminating point of the League Pavilion.

Confronted by all the catastrophes resulting from disorder, violence or misunderstanding, the various peoples must form a constructive union, for this alone can ensure peace, security and happiness.

° All round the circular hall, a dark wall bears four frescoes representing scourges such as War, Famine, Epidemics and Exile.

By way of contrast, in the middle of the hall and under the full light falling from the dome, a group of five figures surrounds a tree in wrought metal. These five figures represent the five continents, forming a circle to protect the Tree of Peace.<sup>2</sup>

The League of Nations Pavilion at the New York World's Fair was formally opened on May 2nd, 1939. Speeches were made by the representatives of the President of the United States of America. The speech by the Secretary-General of the League of Nations was read by the Commissioner-General of the League Pavilion.<sup>3</sup>

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<sup>1</sup> Architect : M. Delarozzière.  
<sup>2</sup> Architect : M. H. Le Roy.  
<sup>3</sup> See document C.160.M.95.1939.

## B. PERMANENT COURT OF INTERNATIONAL JUSTICE<sup>1</sup>

### 1. COMPOSITION OF THE COURT

The Court is composed as follows : M. Guerrero (President) (Salvador), Sir Cecil Hurst (Vice-President) (United Kingdom), Count Rostworowski (Poland), M. Fromageot (France), M. de Bustamante (Cuba), M. Altamira (Spain), M. Anzilotti (Italy), M. Urrutia (Colombia), M. Negulesco (Roumania), Jonkheer van Eysinga (Netherlands), M. Nagaoka (Japan), M. Cheng Tien-Hsi (China), Mr. Hudson (United States of America), M. De Visscher (Belgium), and M. Erich (Finland). M. Erich was elected a member of the Court on September 26th, 1938. The Registrar of the Court is M. J. López Oliván.

The term of office of the judges at present composing the Court ends on December 31st, 1939. A general election will take place during the ordinary session of the Assembly of the League of Nations to be held in September 1939.

The composition of the Chambers is as follows until December 31st, 1939 :

Chamber for Labour Cases : *Members* : Sir Cecil Hurst (President), M. Altamira, M. Urrutia, M. Negulesco, Mr. Hudson. *Substitute Members* : Jonkheer van Eysinga, M. Nagaoka.

Chamber for Communications and Transit Cases : *Members* : M. Guerrero (President), M. Fromageot, M. Anzilotti, Jonkheer van Eysinga, M. Cheng. *Substitute Members* : Count Rostworowski, M. Nagaoka.

Chamber for Summary Procedure : *Members* : M. Guerrero (President), Sir Cecil Hurst, Count Rostworowski, M. Fromageot, M. Anzilotti. *Substitute Members* : M. Urrutia, M. De Visscher.

Since June 15th, 1938, one case, that of the Société commerciale de Belgique, brought by an Application of the Belgian

<sup>1</sup> For a complete statement of the facts concerning the organisation, jurisdiction and activities of the Court since the last session of the Assembly, see the fifteenth annual report of the Court. This work, which has just appeared, will be issued to Governments and also to full delegates to the next session of the Assembly, and their legal advisers. The manuscript of the present chapter was completed on June 15th, 1939 ; according to the practice which has been adopted since 1933, it has been compiled in the Registry of the Court and has been included, for the convenience of delegates, in the report to the Assembly.

Government against the Greek Government, has involved the appointment of a judge *ad hoc* by the Greek Government—namely, M. C. G. Ténékidès, associate of the Institute of International Law.

## 2. THE STATUTE AND THE RULES OF COURT

The Statute of the Court (revised Statute), which came into force on February 1st, 1936, was published by the League of Nations in document C.80.M.28.1936.V, and by the Court in the third edition of volume 1 of Series D of its publications. The same volume also contains the revised Rules of Court, which came into force on March 11th, 1936.

## 3. JURISDICTION

### (a) TREATIES

The Registry publishes annually the relevant extracts from agreements or treaties which have come to its knowledge and which provide for the jurisdiction of the Court or for some extra-judicial action on the part of the Court or its President. In the annual report, which has just been published, twenty-three new agreements are mentioned; this brings the total number to about 560.

### (b) THE OPTIONAL CLAUSE

Since June 15th, 1938, Egypt and Iraq have signed the Optional Clause annexed to the Court's Statute (Article 36, paragraph 2), subject to ratification.

The period for which Spain had accepted the clause expired on September 21st, 1938.

Furthermore, on March 29th, 1939, the Government of Liechtenstein filed with the Registry the following declaration :

"The Principality of Liechtenstein, represented by the Head of the Government, hereby accepts the jurisdiction of the Permanent Court of International Justice, in accordance with the Covenant of the League of Nations and with the terms of the Statute and Rules of the Court, in respect of all disputes which have already arisen or which may arise in the future. The Principality of Liechtenstein undertakes to carry out in full good faith the decision or decisions of the Court and not to resort to war against a State complying therewith.

"At the same time, the Principality of Liechtenstein accepts as compulsory *ipso facto* and without special convention, the jurisdiction

of the Court, in conformity with Article 36, paragraph 2, of the Statute of the Court and No. 2, paragraph 4, of the resolution of the Council of the League of Nations of May 17th, 1922,<sup>1</sup> for a period of five years in any disputes which have already arisen or which may arise in the future, except in cases where the Parties have agreed or shall agree to have recourse to another method of pacific settlement.

(Signed) Vogt,  
Head of the Princely Government."

The States bound by the Optional Clause on June 15th, 1939, were :<sup>o</sup>

The Union of South Africa, Albania, Australia, Belgium, Bolivia, Brazil, the United Kingdom of Great Britain and Northern Ireland, Bulgaria, Canada, Colombia, Denmark, the Dominican Republic, Estonia, Finland, France, Greece, Haiti, Hungary, India, Iran, Ireland, Latvia, Liechtenstein, Lithuania, Luxemburg, Monaco, the Netherlands, New Zealand, Norway, Panama, Paraguay, Peru, Portugal, Roumania, Salvador, Siam, Sweden, Switzerland, Uruguay.

#### 4. ACTIVITIES OF THE COURT

At the time of the nineteenth ordinary session of the Assembly (September 1938), the following cases were pending before the Court :

Short Title	General List No.	Parties
(a) The Panevezys-Saldutiskis Railway . . . .	74 and 76	Estonia/Lithuania.
(b) The Electricity Company of Sofia and Bulgaria . .	75 and 78	Belgium/Bulgaria.
(c) The Société commerciale de Belgique . . . . .	77	Belgium/Greece.

The Court has adjudicated on the Panevezys-Saldutiskis railway case and on the case of the Société commerciale de Belgique. In the case of the Electricity Company of Sofia and Bulgaria, the Court has rendered a judgment on the question of jurisdiction and the case on the merits is still pending.

<sup>1</sup> This resolution permits States which are neither members of the League of Nations nor mentioned in the Annex to the Covenant, to accept the compulsory jurisdiction of the Court, but this acceptance may not, without special convention, be relied upon *vis-à-vis* States Members or States mentioned in the Annex to the Covenant which have signed or may sign the Optional Clause.

(a) THE PANEVEZYS-SALDUTISKIS RAILWAY CASE

(See *Report on the Work of the League of Nations, 1937/38*, Part II, page 89.)

On February 28th, 1939, the Court, by ten votes to four, delivered its judgment in the case of the Panevezys-Saldutiskis railway, which had been brought before it by an Application of the Estonian Government against the Lithuanian Government and in which the latter Government had presented preliminary objections which were joined to the merits by an order made on June 30th, 1938. The Application was filed with the Registry of the Court on November 2nd, 1937; it founded the jurisdiction of the Court on the declarations of Estonia and Lithuania accepting the compulsory jurisdiction of the Court (Article 36, paragraph 2, of the Statute).

The facts of the case, as summarised in the judgment, with the observation that they do not appear to be disputed, are as follows:

In 1892, a joint-stock company was founded in St. Petersburg under the name of the "First Company of Secondary Railways in Russia". This company had for its object, *inter alia*, the construction and operation of railways. The company might engage in these activities throughout the whole of the Russian Empire. Amongst other things, it was authorised to construct and operate a railway between the station at Sventziany, on the St. Petersburg-Warsaw railway, and the station at Panevezys, on the Libau-Romny railway. The company also possessed other lines, in particular in the Baltic provinces and in the Ukraine.

In December 1917, after the Bolshevik revolution, a decree of the Central Executive Committee concerning the nationalisation of banks placed in the hands of the Soviet Government the shares, assets and liabilities of companies existing in Russia—including the company here in question. And, in 1918 and 1919, the Bolshevik leaders took measures intended to establish throughout Russian territory the communist regime, confiscating all private property: nationalisation of industrial and commercial undertakings, the cancellation of the shares and foundation shares of companies, etc.

In February 1918, however, Lithuania and subsequently Estonia had proclaimed themselves independent States; and on March 3rd, 1918, the Treaty of Brest-Litovsk had confirmed the abandonment of Russian sovereignty over the Baltic provinces



and Lithuania. In September 1919, the Lithuanian Government took possession of the Panevezys-Saldutiskis railway which was situated in territory which had become Lithuanian.

In 1920, the Soviet Republic signed treaties with the new Baltic States. Amongst others it concluded with Estonia the Treaty of Tartu (February 2nd, 1920), which contained detailed provisions as to the fate of private property situated in Estonian territory, particularly as to the property of joint-stock companies. Under this treaty (of which the meaning and perhaps even the translation are disputed between the parties), Russia renounces all rights to the movable and immovable property of individuals which previously did not belong to her, in so far as such property may be situated in Estonian territory, this property becoming the sole property of Estonia. Further, the Russian Government undertook to hand over to the Estonian Government the shares of those joint-stock companies which had undertakings in Estonian territory, in so far as such shares were at the disposal of the Russian Government as the result of the decree of December 1917 ; and it agreed that the registered offices of these companies should be transferred to Reval. The treaty points out that " the above-mentioned shares shall only confer on Estonia rights in respect of those undertakings of the joint-stock companies which may be situated in Estonian territory, and that in no case shall the rights of Estonia extend to undertakings of the same companies outside the confines of Estonia ". And the treaty expressly mentions the " First Company of Secondary Railways " as included amongst these companies.

Between 1920 and 1923, the Estonian Government promulgated decrees for the reorganisation of these companies. Measures were taken in pursuance of these decrees in respect of, amongst others, the First Company of Secondary Railways. It was however at Riga, with the sanction of the Latvian Government and under Latvian law, that, in November 1922, the first general meeting of the company, since the October revolution in 1917, was held. At this general meeting, the Board was instructed to take the necessary steps to re-acquire possession of and to operate the property of the company situated in Lithuania and Poland, while the portion of the system in Latvia was to be ceded to a Latvian company which was to be formed.

In August 1923, the Estonian Government promulgated a law providing for the buying-out by the Treasury of all railways of the company in Estonian territory. And, in November of the same year, a general meeting of the company was held in Tallinn.

This general meeting proceeded to revise and amend the statutes in accordance with Estonian law and in virtue of the powers henceforward conferred upon the company in Estonia, and the registered offices of the company were fixed in Tallinn. Thus, according to the Estonian Government, the "First Company of Secondary Railways in Russia" was transformed into an Estonian company having its registered offices in Estonia, under the name of the "Esimene Juurdeveo Raudteede Selts Venemaal"—a translation into Estonian of the name of the Russian company.

On March 10th, 1924, a general meeting of the "Esimene", held in Tallinn, authorised the Board of Directors to sell the line situated in Lithuania and the lines in Latvia and Poland. In March 1925, a request was sent by the chairman of the Board of the "Esimene" to the Lithuanian Government, asking it "to give instructions for the necessary steps to be taken for the handing over of the Panevezys-Saldutiskis railway to its legal owners".

This petition remained unanswered. Further petitions were subsequently addressed to the Lithuanian Government, and then the negotiations were continued between the Estonian Government and the Lithuanian Government, the company proposing the purchase of its line by the Lithuanian Government. In 1936, the latter replied that the dispute was a matter of civil law and within the jurisdiction of the Lithuanian courts.

In the course of 1937, the Estonian Government renewed its representations but the Lithuanian Government replied that it could not entertain the claim. Thereupon, the Estonian Government brought the case before the Court, asking it for judgment to the effect that the Lithuanian Government had wrongfully refused to recognise the right of the "Esimene" in respect of the railway in question and that that Government was under an obligation to make good the prejudice thus sustained. In the course of the written proceedings, the Lithuanian Government raised two objections based on the alleged non-observance by the Estonian Government of (1) the rule of international law to the effect that a claim must be a national claim, not only at the time of its presentation, but also at the time when the injury was suffered, and (2) the rule requiring the exhaustion of the remedies afforded by municipal law. These two objections were joined to the merits on June 30th, 1938.

The Court in its judgment of February, 28th, 1939, recalls that the two objections had been submitted as preliminary

objections, under Article 62 of the Rules which covers more than objections to the jurisdiction of the Court, because it covers any objection of which the effect will be, if the objection is upheld, to interrupt further proceedings in the case and which it will therefore be appropriate for the Court to deal with before enquiring into the merits.

Considering the first objection, the Court defines the rule on which it is based. A State's right to espouse the case of one of its nationals must be regarded as a part of the function of diplomatic protection ; and this right can only be exercised on behalf of a national because, in the absence of a special agreement, it is the bond of nationality which alone confers upon a State the right of diplomatic protection. The precedents cited to discredit this rule are seen to be cases where the Governments concerned had agreed to waive the strict application of the rule, and there are no grounds for holding that the parties had this intention in the present case. It therefore rests with Estonia to prove that, at the time when the alleged injury occurred which is said to involve the international responsibility of Lithuania, the company suffering the injury possessed Estonian nationality.

Though, however, it is true that an objection disputing the national character of a claim is in principle of a preliminary character, this is not so in the actual case. This is because the grounds on which Lithuania disputes Estonia's right to take up the case—viz., that the claim lacks national character—cannot be separated from those on which Lithuania disputes the company's alleged right to the ownership of the Panevezys-Saldutiskis railway. The question whether the company is owner or concessionaire of the railway forms part of the merits of the dispute. It involves decisions with regard to the effect of the events in Russia at the time of the Bolshevik revolution, with regard to whether or not there was in existence at the time of the Lithuanian acts, an Estonian national whose cause the Estonian Government was entitled to espouse and finally with regard to the interpretation of the Treaty of Tartu. If the Court were to give decisions on these points, it would also be deciding questions forming an important part of the merits. Accordingly, the first Lithuanian objection, which cannot be decided without passing on the merits, cannot be admitted as a preliminary objection.

The Court next deals with the second objection. The existence of the rule requiring the exhaustion of the remedies afforded by municipal law which, in principle, subordinates the

presentation of an international claim to such exhaustion is not contested by the Estonian Agent, but he contends that the case falls within one or more of the admitted exceptions to the rule. In the first place, he maintains that the courts in Lithuania cannot entertain a suit brought by the "Esimene" to establish its legal claim to the Panevezys-Saldutiskis railway. The Court holds that the question whether the Lithuanian courts have jurisdiction to entertain a particular suit depends on Lithuanian law and is one on which the Lithuanian courts alone can pronounce a final decision. Until it has been clearly shown that these courts have no jurisdiction to entertain a suit by the "Esimene" company as to its title to the railway, the Court cannot say that the local remedies rule does not apply because Lithuanian law affords no means of redress. In the second place, the Estonian Agent maintains that the Supreme Court of Lithuania has already held that there is no continuity between the Russian company and the Estonian company and that, consequently, a decision adverse to the Estonian company has already been given on an essential point. The Court, however, does not consider that this conclusion emerges from the evidence submitted to it in support of this line of argument.

Neither of the reasons put forward for the non-application of the local remedies rule can therefore be regarded as holding good. In consequence, on the one hand, the second Lithuanian preliminary objection having been submitted for the purpose of excluding an examination by the Court of the merits of the case and being one upon which the Court can give a decision without in any way adjudicating upon the merits, must be accepted as a preliminary objection within the meaning of Article 62 of the Rules. On the other hand, as regards the merits of the objection, it is common ground that the "Esimene" company has not instituted any legal proceedings before the Lithuanian tribunals in order to establish its title to the Panevezys-Saldutiskis railway.

The objection must therefore be regarded as one that can be entertained as an objection of a preliminary character and as well founded in substance.

(2) THE ELECTRICITY COMPANY OF SOFIA AND BULGARIA

(See *Report on the Work of the League of Nations, 1937/38*, Part II, page 90.)

The case of the Electricity Company of Sofia and Bulgaria was brought before the Court on January 26th, 1938, by an

Application of the Belgian Government against the Bulgarian Government. The Belgian Government invoked the declarations of Belgium and Bulgaria adhering to the Optional Clause accepting the compulsory jurisdiction of the Court and also the Treaty of Conciliation, Arbitration and Judicial Settlement concluded between the two countries on June 23rd, 1931.

On November 25th, 1938, the Bulgarian Government raised a preliminary objection. By a judgment rendered on April 4th, 1939, by nine votes to five, the Court sustained the objection in regard to one point of the Belgian Application and overruled it in regard to the two other points; it will therefore adjudicate upon the merits of these two points.

On the same date, the Court made an Order fixing the time-limits for the further proceedings; the case will in consequence become ready for hearing on October 4th, 1939.

(c) THE SOCIÉTÉ COMMERCIALE DE BELGIQUE

(See *Report on the Work of the League of Nations, 1937/38*, Part II, page 91.)

On June 15th, 1939, the Court by thirteen votes to two delivered its judgment in the case of the Société commerciale de Belgique. This case was brought against the Greek Government by an Application from the Belgian Government, which founded the jurisdiction of the Court on the Treaty of Conciliation, Arbitration and Judicial Settlement of June 25th, 1929, between Belgium and Greece.

The judgment first of all summarises the facts.

On August 27th, 1925, a contract was concluded between the Greek Government and the Société commerciale de Belgique mainly for the purpose of the construction in Greece of certain railway lines. The contract also provided that the financing of the works was to be covered by a loan to the Greek Government by the Belgian company, the former in return issuing bonds to the company which were to constitute a debt of the Greek State and were to form part of its external debt. Any disputes which might arise were to be referred to arbitration.

In 1932, the Greek Government was obliged, on account of the general financial crisis, to abandon the gold standard and to default in the service of its debt. The company could not continue to pay the sub-contractors, and the work came to an end. It then decided to resort to arbitration. A first award was given on January 3rd, 1936, providing for the cancellation

of the contract and for the appointment of a body of experts to fix the amount of such sum as should be found to be payable by either party to the other. Under a second award given on July 25th, 1936, the amount of the Greek Government's debt to the Company was fixed at 6,771,868 gold dollars.

An examination of the terms of these awards shows that the parties had in the course of the arbitration proceedings debated many questions which were also the subject of debate before the Court. Thus the question whether any liability on the part of the Greek Government arising from the cancellation of the contract of 1925 could be regarded as part of the external debt of Greece and subjected to the same conditions of payment as applied to that debt was brought before the arbitrators.

The provisions in the awards, other than that relating to the payment of the debt, were carried out by the Greek Government. The company thereupon proposed a compromise regarding conditions of payment. The Greek Government replied that it could not depart from its views as to the character of the debt, which formed part of the Greek external debt and consequently must be paid on the same basis; and it made counter-proposals the object of which was to arrange a long-term settlement, with a reduced rate of interest. The company urged that the contents of the Greek Government's reply, if insisted on, would amount to a refusal to recognise the terms of the arbitral awards. As the negotiations led to nothing, the Belgian Government took up the case on behalf of the Belgian company. The Greek Government, however, maintained its position; it also pointed out that it was owing to the financial position of the country and to the difficulties of obtaining foreign currency that it had been obliged to make its counter-proposal to the company for a long-term settlement.

These were the circumstances in which the case was brought before the Court.

Having thus analysed the facts, the judgment considers the submissions presented by the parties.

In the Application, the Belgian Government asked the Court to declare that the Greek Government by refusing to execute the arbitral awards had violated its international obligations, and to fix the amount of reparation due for this violation. The Greek Government, however, in its Counter-Memorial, declared that it did not dispute the validity of the arbitral awards and had not refused to execute them; whereupon

the Belgian Government, holding that the character of the dispute was changed by this declaration, asked the Court to take note of the declaration by the Greek Government that it acknowledged without reserve the obligatory character of the arbitral awards and to say that, in consequence, the conditions for the payment of the Greek external debt had nothing to do with the execution of the arbitral awards. Finally, in the course of the oral proceedings, the Belgian Government, observing that the Greek Government had declared that it acknowledged the definitive and obligatory character of the arbitral awards, but with reservations which destroyed the effect of that acknowledgment, asked the Court to say that the provisions of the awards were obligatory without reserve and added certain subsidiary and, in its view, consequential demands.

The Court observes that, by its successive submissions, the Belgian Government has thus profoundly transformed the character of the case. Examining the question whether the Statute and Rules of Court authorise such a transformation, it says that the liberty accorded to the parties to amend their submissions up to the end of the oral proceedings must be construed reasonably and without interfering with the obligation that the subject of the dispute must be indicated in the Application. The Court cannot, in principle, allow a dispute brought before it by Application to be transformed, by amendments in the submissions, into another dispute which is different in character. A practice of this kind would be calculated to prejudice the interests of third States to which all applications must be communicated in order that they may be in a position to intervene. Similarly, a complete change in the basis of a case might affect the Court's jurisdiction. Nevertheless, the special circumstances of this case, and more especially the absence of any objection on the part of the Greek Government, make it possible not to regard the present proceedings as irregular.

The submissions before the Court are therefore those finally presented. It should be added that, since the arbitral awards to which these submissions relate are, according to the arbitration clause under which they were made, "final and without appeal", and since the Court has received no mandate from the parties in regard to them, it can neither confirm nor annul them either wholly or in part.

The Court then proceeds to consider each submission.

The Belgian Government first of all prays the Court to declare that the arbitral awards are, without reserve, definite

and obligatory for the Greek Government. The Court notes that, in the Counter-Memorial, the Greek Government had declared that it never at any time intended to throw doubt on the validity of the awards and that financial conditions alone had prevented it from executing them. Consequently, the object of the Belgian Government's submission is not to get the Court to examine or confirm the awards but simply to get placed on record the agreement thus arrived at regarding their validity and to exclude any reservation in connection with the Greek Government's recognition of *res judicata*. The two parties are in agreement: the Belgian Government asks the Court to say that the arbitral awards have the force of *res judicata*, and the Greek Government asks the Court to record that it recognises that they possess this force.

In its second submission, the Belgian Government prays the Court consequently to adjudge that the Greek Government is bound in law to execute the awards, that the conditions for the settlement of the Greek external debt are foreign to the execution of these awards and that it is without right or title that the Greek Government has sought to impose on the company or on the Belgian Government conditions precedent to payment. It is clear that the foregoing follows logically from the definitive and obligatory character of the awards. Since the Greek Government recognises that the awards possess this character, it cannot contest this submission without contradicting itself and it does not in fact contest it. The Court may therefore say that the second submission of the Belgian Government is neither necessary nor disputed.

The Greek Government's obligation is qualified, in the second Belgian submission, by the words "in law". In the opinion of the Court, these words mean that the Belgian Government here adopts the strictly legal standpoint regarding the effects of *res judicata*, a standpoint which, in fact, does not preclude the possibility of arrangements which, without affecting the authority of *res judicata*, would take into account the debtor's capacity to pay. It is precisely the standpoint of fact which the Greek Government adopts when, in its submissions, after acknowledging that the awards possess the force of *res judicata*, it asks the Court to say that, by reason of its budgetary and monetary situation however, it is materially impossible for the Greek Government to execute them, that the Greek Government and the company should be left to come to an arrangement for the execution of the awards which corresponds with this situation



and that, in principle, the fair and equitable basis for such an arrangement is to be found in the agreements concluded or to be concluded between the Greek Government and the bondholders of its external public debt.

What is the precise import of these three submissions? Do they constitute reservations affecting the Greek Government's recognition of *res judicata*? It must, above all, be borne in mind that the question of Greece's capacity to pay is outside the scope of the proceedings. It is not therefore likely that the Greek Government's intention was to ask the Court for a decision as to its budgetary and monetary situation. The question of Greece's capacity to pay is only raised in connection with the contemplated arrangement. The first of these three submissions therefore implies no reservation regarding the recognition of *res judicata*; it proceeds from a standpoint other than that of the rights acknowledged by the awards. But the Court could entertain it only if it also entertained the second submission concerning the arrangements.

The Court, however, cannot do this. It is certain that the Court is not entitled to oblige the Belgian Government—and still less the company which is not before it—to enter into negotiations with the Greek Government with a view to a friendly arrangement regarding the execution of the awards which that Government recognises as binding: negotiations of this kind depend entirely upon the will of the parties concerned. Still less can the Court indicate the bases for such an arrangement. Nor can the submission referring to the budgetary position be regarded as a plea in defence to the effect that the Greek Government is justified, owing to *force majeure*, in not executing the awards as they stand. For the Court could not pass upon such a plea without having itself verified that the alleged position really existed and without having ascertained the effect which the execution of the awards would have upon that position; but the parties are in agreement that this question is outside the scope of the proceedings.

Nevertheless, though the Court cannot entertain the Greek claims, it can place on record a declaration made by the Agent for the Belgian Government at the end of the oral proceedings. This declaration was as follows: "If, after the legal situation has been determined, the Belgian Government should have to deal with the question of payments, it would have regard to the legitimate interests of the company, to the ability of Greece to pay and to the traditional friendship between the two countries."

This declaration enables the Court to record that the two Governments are, in principle, agreed in contemplating the possibility of negotiations with a view to a friendly settlement in which regard would be had, amongst other things, to Greece's capacity to pay. Such a settlement is highly desirable.

The Court concludes by admitting the submissions of the parties respecting the definitive and obligatory character of the arbitral awards and dismissing the other submissions.

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