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INTRODUCTION

In a statement¹ distributed to the Members of the League in June 1941, I gave a brief account of the circumstances which led to a decrease in the volume and variety of the League's activities. In ordinary circumstances, these were governed by the decisions of the Council and the Assembly, as well as by those of the Technical Committees, which met regularly and which, on the one hand, considered the past work of the League and, on the other, drew up a programme of work for the future. The Secretary-General not only found great support in these periodic meetings, which afforded direct contact with Government delegates and experts, but also received from the Assembly and the Council instructions, guidance and inspiration both as regards questions of policy and in respect of the order of priority and importance of the numerous problems committed to his care.

The war has reduced the number of these meetings and contacts and I have had, therefore, to assume greater responsibilities, sharing them with the Supervisory Commission, which, under the terms of the Assembly resolution of December 14th, 1939,² has been endowed with wide emergency powers and with which close and regular contact has been maintained.

It is not necessary to make here more than a passing reference to the policy of successive administrative and budgetary retrenchments which was imposed in consequence of the state

¹ See document C.41.M.38.1941.

² Confirming the special powers provided for by the Assembly's resolution of September 30th, 1938.

of war and of its gradual extension. These inevitable restrictions and their incidence on the activities of the League are set out in last year's statement.¹

The war has been gaining in intensity and extent. During the past few months, the bitter struggle which was being waged in Asia, Europe and Africa has engulfed the remaining continents and has assumed a truly gigantic and universal character. Very few indeed are the countries which have thus far been spared. Twenty-four Members of the League have been drawn into the conflict and the territory of fourteen of them has been occupied. As a natural result of the circumstances of the recent past, my first duty was to safeguard both such activities as were possible and the international character of the League, until such time as international consultations of a constructive character again become possible.

The Assembly and the Council have met only once since the war began and, for reasons that will be generally understood, no meeting of the political organs has recently been proposed by any Member. There have been a few meetings of other League organs, however, and it is thought that certain Committees may shortly find it possible and desirable to discuss questions of a "technical" character regarding future work. The Committees and the Secretariat of the League, with their special experience of international problems covering a vast field, should prove to be invaluable in co-ordinating those plans and studies for post-war reconstruction which are now being discussed in many countries.

Since 1940, when certain important elements of the Secretariat were sent to America "on mission",² its technical work has been satisfactorily carried on by co-operation between the branches established outside Europe and the staff remaining at Geneva. Special measures were also taken to safeguard the financial interests of the institutions. This provisional arrangement doubles the opportunities for contacts with Governments and other authorities and gives a

¹ See also the Chapter in the present report: "The Reduction in the Personnel of the Secretariat".

² See also document C.41.M.38.1941.

certain degree of protection against the risks involved in the policy hitherto followed of not abandoning the League headquarters even though the tide of war sweeps round it.

When this war ends, continents will have been devastated; many countries will have suffered under the occupation of foreign troops; hunger and famine will have enfeebled the population; the normal economic machinery of the world will have been smashed; the health of untold millions will have been undermined; world production will have changed its character, owing to the fact that industrial resources are being devoted more and more to the manufacture of armaments whilst the artificial and forced production of substitute materials is being extensively developed. Many countries will have been virtually without national Governments for long periods; social disturbances will be inevitable; frontiers and populations will have been displaced, often more than once; transport will have been disorganised in certain regions and in others reorganised within sharply divided spheres; and, above all, there will be a world divided by hatred and vengeful memories.

The problems to be faced will be immense. To those connected with the immediate needs of populations and internal reconstruction in the various countries will be added the problem of planning the future of international co-operation. What can be done so to reorganise the world and the nations as to prevent another conflagration spreading, as the last two world wars have spread, with all the miseries and tragedy and destruction entailed? The Governments, and not only the Governments, the peoples of the world, are deciding now what Peace is worth, what sacrifices and risks will be worth while for the purpose of guarding it in the future.

Thirty-six States, including all the Great Powers of the world, are now involved in total war; another dozen are in a

state of non- or pre-belligerency, while a few still hold tenaciously to an unassured neutrality, as so many others have tried to do in the past. In the belligerent countries, and indeed almost everywhere, Governments and peoples concentrate on the war effort; that is their first care.

The making of peace and the kind of peace that will be made depend without doubt, in the first case, on the devotion and sacrifices and organisation which can be directed towards bringing the war to an end. In present circumstances, statesmen and Governments hesitate to make precise declarations as to the form and pattern they will give to the world when the war is finished. Perhaps they do not yet know. There has been wisdom in avoiding a too-early crystallisation and formula-making but, even within the past year, thinkers and politicians and Governments have begun to see something of the shape of things to come. There is a direct reference to the League in a public address made by Acting Secretary of State Sumner Welles, on July 22nd, 1941, while the United States of America was still the greatest neutral Power in the world:

“
“ At the end of the last war, a great President of the United States gave his life in the struggle to further the realisation of the splendid vision which he had held up to the eyes of suffering humanity—the vision of an ordered world governed by law.

“ The League of Nations, as he conceived it, failed in part because of the blind selfishness of men here in the United States, as well as in other parts of the world; it failed because of its utilisation by certain Powers primarily to advance their own political and commercial ambitions; but it failed chiefly because of the fact that it was forced to operate, by those who dominated its councils, as a means of maintaining the *status quo*. It was never enabled to operate as its chief spokesman had intended, as an elastic and impartial instrument in bringing about peaceful and equitable adjustments between nations as time and circumstances proved necessary.

“ Some adequate instrumentality must unquestionably be found to achieve such adjustments when the nations of the earth again undertake the task of restoring law and order to a disastrously shaken world.

“ But whatever the mechanism which may be devised, of two things I am unalterably convinced:

“ First, that the abolition of offensive armaments and the limitation and reduction of defensive armaments and of the tools which make the

• construction of such armaments possible, can only be undertaken through some rigid form of international supervision and control, and that without such practical and essential control no real disarmament can ever be achieved; and

“ Second, that no peace which may be made in the future would be valid or lasting unless it established fully and adequately the natural rights of all peoples to equal economic enjoyment. So long as any one people or any one Government possesses a monopoly over natural resources or raw materials which are needed by all peoples, there can be no basis for a world order based on justice and on peace.

“ I cannot believe that people of good-will will not once more strive to realise the great ideal of an association of nations through which the freedom, the happiness and the security of all peoples may be achieved. That word, security, represents the end upon which the hearts of men and women everywhere to-day are set.”

• One month later, the United States of America still being a neutral country, its President and the Prime Minister of the United Kingdom issued the well-known “ Atlantic Charter ”, in which basic principles of political as well as economic reconstruction were briefly laid down. On the other hand, some aspects of the plans and proposals of Germany, Italy and Japan are equally well known in their broad outline.

There have been other important statements. Three Christmas Messages have been issued by the Pope since the beginning of the present war. The Message of Christmas 1941, like the two preceding ones, summarises in five points the essential conditions of a “ new order based on moral principles ”. Whilst the first point insists on the right of every nation, great or small, to its “ freedom, integrity and security ” and the third on the “ methodical and progressive solution, with the necessary guarantees ”, of the question of the participation of all nations in access to “ economic sources and materials of a common use ”, the fourth point emphasises the importance both of a “ progressive and adequate limitation of armaments ” and of “ institutions gaining general respect and devoting themselves to the noble task of guaranteeing the sincere execution of treaties or bringing about, according to the principles of law and equity, such corrections or revisions as may be advisable ”.

This impartial pronouncement, based on a careful study of history and inspired by the loftiest spiritual and moral prin-

ciples, will have to be considered by those who are called upon to plan the basis of post-war reconstruction and co-operation¹.

The death of the League of Nations has often been forecast, either with satisfaction or with regret. The friends of international order have been discouraged by the failure of the first great effort to maintain peace. As an active political power, the League of Nations has indeed been almost non-existent for some years; it lives, however, not only as a centre of economic, financial, social, and humanitarian action and studies, and as an instrument for reconstruction, to the extent of the resources granted by States, but also as a possible agency for the resumption of co-operation between nations.

The International Labour Office carries on bravely, holding its loyalties deep-rooted in organised labour and organised employers, to serve, as it surely will, a high and valuable purpose.

The Permanent Court of International Justice, in spite of the fact that its activities are suspended, nevertheless remains an organised reality, though driven by invasion from its seat at The Hague.

All these organisations of the League of Nations are thus in being, ready at the appropriate moment to take their respective parts in the reconstruction of the world, or to serve as the foundations on which the new order can be built. The possibility of extending their action in preparing immediately for post-war reconstruction is, to a large extent, dependent on the will of States Members and the support which they give.

Behind all these present activities and behind all those connected with future efforts towards international co-ope-

¹ The Christmas Messages of the Pope are commented upon in a series of twelve articles of the *Osservatore Romano* which review the achievements and failures of the years preceding the war and outline the "essential conditions for an international order". (*Osservatore Romano*, January 4th, 11th, 17th, 18th and 25th, February 1st, 8th, 15th and 22nd, March 1st, 8th and 15th, 1942.)

tion in what is termed the "technical" field, the political conception must remain supreme. That is to say that the first need of the world is international security. With that, all things are possible; without it, nothing is possible. Modern means of production and modern organisation, governed by a sense of moral responsibility to all classes and to all nations, can, I am convinced, rebuild and remake the broken economies of the world. Statesmanship and wisdom in all classes can, in time, give the world comparative freedom from want and can ensure the human liberties and the possibility of the spiritual life without which humanity is a poor thing. But if wisdom and guidance and statesmanship cannot also contribute towards an enduring international peace, with a system sufficiently strong to maintain law and sufficiently flexible to assure equity, the rest will remain for ever precarious and at the mercy of another disaster.

Whilst statesmen have learned from the first stage of the great experiment, there are signs also of a resurgent conviction and determination amongst the peoples themselves. Great Powers have been blamed for the first failure. But which State has not, at some time and to some extent, shared that responsibility? The leaders have been blamed, but the people whom they led cannot escape. They found it too easy to think themselves secure; deluding themselves that they were living on islands, if not of prosperity, at least of security, they accepted too easily the comfort of the superficial belief that the world could blaze in some foreign lands or distant continents while life flowed calmly past them; they listened too easily to the cheap sneer at the idea of international interdependence and responsibility, of "the indivisibility of peace"; and when a leader here and there, with hard realism, risked his political career in expounding this truth, he was only too often contemptuously labelled "idealist" and "dreamer". Thus the peoples have their ultimate share of responsibility for the catastrophe which has overtaken them and which they are now facing with such magnificent courage, steadfastness and determination.

Peace must be organised, peace must be co-operative; or there will be no peace. The form that organisation will take will probably be different from that of the first stage of the experiment. The organisation will be different, at any rate, in content whether the form be similar or not. There have been thought and activity tending to regional or continental organisation. There has been discussion of Federations, of Unions; and action has begun here and there to form the nuclei of groups. All this concerns with the form of organisation is to the good, as is the seeking for security and for economic health. But, even if Governments decide to look for a partial solution in this direction, it can only be partial and must depend for its final stability on a universal organisation. In the last of the series of articles on "The Essential Conditions for an International Order" based on the Pope's Christmas Message of 1941, to which reference has already been made, the *Osservatore Romano* makes some remarks on this subject which are of interest:

"Steps must be taken to ensure that the groups of States, whether regional or continental, are not the result of the failure to achieve a universal Community of States, that they are not merely a makeshift, substituted for the unity that has been sapped or broken, but that, on the contrary, they constitute stepping-stones leading progressively to the universal Community. If the latter is not always capable of giving exact expression to the special interests of groups of States bound together in a system of political and economic affinities, from which the general Community is too far removed, it is, on the other hand, capable of bringing together the individual special guarantees and of transforming them into more general guarantees which give a harmonious and organic character to the functioning of the Society of States."

Between nations there must be law, there must be justice; but there must be force, economic and military, behind that law and justice: such force cannot be supplied unless it is based on the will of the peoples and on their conviction that the maintenance of peace is worth some sacrifice. The machinery through which the first effort was made in the inter-war period was not in itself bad; it was indeed good, and much of it may be used for the work of rebuilding and reconstruction on the new plans which will emerge. The League of Nations has been kept in being; some nations have left the organisation

because it represented things hostile to their policies or what they believed to be their interests; others may neglect it in fear or in doubt, but for others—and for masses of people in all lands—it still remains a beacon of hope, a promise for the future.

The following account of the activities of the Secretariat of the League during the last twelve months, and some broad indications of future tasks, will show how, after the disorganisation ensuing from events, the Secretariat adjusted itself to the changed circumstances and not only carried on with the plan of work decided upon last year but also established a wider programme of fresh activities such as will have their bearing on problems of reconstruction. Even with the realities of war occupying nearly all the energies of peoples and Governments, it is both the time and the occasion to stress the future needs of the post-war world. The international organisations should not merely conserve as much of their activities as financial and war circumstances permit, but should be preparing, and are preparing within their means, to help Governments to solve the vast problems of the coming times. More human beings may be destroyed after the war by the absence of foresight than were victims during the conflict.

I. ECONOMIC, FINANCIAL AND TRANSIT QUESTIONS

1. ECONOMIC INTELLIGENCE

Introductory Remarks.

In the "Brief Statement on the Activities of the League of Nations and its Organs" that I issued last summer, I outlined the programme of work to be undertaken by the Economic Intelligence Service during the year 1941. That programme fell into two parts: first, the publication of certain volumes dealing with current economic developments and, secondly, the initiation of studies likely to prove useful now or later in connection with the formulation of policies by Governments designed to influence world economic organisation after the war.

It seemed to me desirable to maintain the three pivotal publications of the Service dealing with current economic developments—namely:

The World Economic Survey,
The Statistical Year-Book, and
The Monthly Bulletin of Statistics,

and this, thanks to the co-operation of Governments of both Member and non-member States in furnishing information, has in fact been done. The decision to send part of the Economic, Financial and Transit Department on mission to Princeton, N.J., has greatly facilitated the execution of this programme. The work is now so divided that those at headquarters in Geneva are able to specialise on European developments, while those on mission follow the course of the

events in the rest of the world. The *Statistical Year-Book* and the *Monthly Bulletin of Statistics* are still printed in Switzerland, part of the information for them being collected in Princeton, where the *World Economic Survey* was written. This *Survey*, which covers the period from the outbreak of war to the middle of 1941, is, naturally mainly concerned with war finance and war economy. The scope of the work may most easily be judged from its table of contents:

- I. *Transition to War Economy:*
 - Principal Characteristics of the Transition.
 - General Developments in the Latter Part of 1939.
 - Special Problems in Certain Countries.
- II. *Wartime Control of Production:*
 - Organisation of Control.
 - Industrial Mobilisation.
 - Regulation of Labour.
 - Regulation of Agriculture.
- III. *Consumption and Rationing:*
 - Indirect Restrictions.
 - Rationing.
 - Rationing and the Standard of Living.
- IV. *Public Finance, Money and Prices:*
 - Government Expenditure.
 - Taxation.
 - Government Borrowing.
 - Money, Prices and Interest Rates.
 - Price Control.
- V. *International Monetary Relations:*
 - British Exchange Control.
 - The Sterling Area.
 - Gold and Dollar Resources of the Sterling Area.
 - International Financial Relations of the United States.
 - Chinese Exchange Problems.
 - European Currencies under German Control.
- VI. *Raw Materials and Foodstuffs:*
 - Production.
 - Stocks.
- VII. *Industrial Activity.*

VIII. *International Trade:*

Synopsis of Trade Returns.
Trade outside Continental Europe.
Trade in Continental Europe.

IX. *Transport:*

Ocean Shipping: General Considerations.
Shipping Problems of the United Kingdom.
United States Shipping Policy.
Movement of Shipping Freight and Insurance Rates.
The Shipping Situation summarised.
Transport in Continental Europe.

X. *The Situation in the Summer of 1941.*

In addition to these three regular publications, a reprint of the volume on cyclical movements in economic activity which was first published in 1937 under the title *Prosperity and Depression* was issued in the spring of 1941 and a new English edition, containing a substantial additional part, in the autumn. This volume, of which Professor G. Haberler is the author, has been reprinted six times in English and twice in French and translated into Swedish, Japanese and German.

Finally, the Department prepared and published early in 1941, as I recorded in the "Brief Statement on the Activities of the League" mentioned above, a special study on *Europe's Trade*. I shall refer to this study again below.

PROGRAMME FOR 1942.

I. *Work on Current Economic Events and Tendencies.*

The establishment of the mission in Princeton, the reorganisation of the work which it has involved, the training of local staff, the reconstruction of records, etc., have necessarily absorbed a good deal of the time of the Economic, Financial and Transit Department during the last twelve months. That reorganisation has now been accomplished and I am anxious to revive at least one of the publications that have been abandoned since the war.

My intention is therefore to continue in 1942 to publish:

- (a) *The World Economic Survey,*
- (b) *The Statistical Year-Book,*
- (c) *The Monthly Bulletin of Statistics,*

and, in addition, to issue the statistical part of the work which used to be published in two volumes under the title:

- (d) *Money and Banking.*

The reasons for selecting these particular publications are, I think, self-evident. The war has inevitably set in motion forces which are producing radical changes both in national and international economic structure, and in economic tendencies. Some trends of development, which were previously clearly discernible, are being arrested, others enormously accelerated. Those responsible for the formulation of policies designed to influence the conditions of economic life in the future must bear those changes in mind when framing those policies. The first object of the *World Economic Survey* to-day is to afford evidence concerning the nature of those changes, viewing the situation, not from the narrow angle of a single national capital, but in all its breadth.

The other publications mentioned above are confined to those phenomena which can be recorded in statistical form. Although most belligerent Governments have greatly restricted the scope of their production statistics, the volume of statistical information that continues to be published is still very considerable and the need for it has in no way diminished; this need can obviously be both more expeditiously and incomparably more economically satisfied by the collection and distribution of the statistics through one world centre than it could be were each national administration forced to do the work itself.

Banking statistics, in which every depositor is concerned, have naturally been less severely pruned than most other branches of economic information, and it is, I think, desirable that the League should resume the publication of the volume in which it summarises these on a comparable basis for as

many countries of the world as possible. The changes that are taking place in banking structure and in the function of banks, in the supply of money, and in the distribution of reserves, constitute one of the groups of phenomena that may well have an important influence on the nature of the ultimate transition from a war to a peace economy.

With conditions changing as rapidly as they must in time of war, it is difficult to lay down a rigid programme of work in advance for so long a period as twelve months. A situation may arise in which the League may be able to render a service by the rapid preparation of a pamphlet on some special subject of importance at a particular moment. Several of the subjects—such as rationing, for instance—which must in any case be currently followed for the preparation of the *World Economic Survey*, may require to be reviewed more frequently than once a year. I propose, therefore, so to organise the work as to permit of the preparation of quite brief special studies should the need for them seem to arise.

II. *Work in connection with Post-war Economic Problems.*

If the objectives of the "Atlantic Charter" that "all the men in all the lands may live out their lives in freedom from fear and want" are to be realised, post-war policies must be thought out in advance and the lessons to be learnt from past experience must be learnt.

The second part of the programme that I laid down last year related to problems of post-war relief, reconstruction and reorientation. The members of the Secretariat have had a unique experience in surveying and in dealing with such of these problems as necessitate international discussion and international treatment.

It is not their function to formulate policies themselves; but they may, I believe, make a real contribution to the ultimate formulation of such policies by conducting preparatory studies now, and an elastic programme of studies dealing with international economic experience has been drawn up on which a considerable amount of preparatory work has already been done during the last twelve months.

In the execution of this programme, three guiding principles are being kept constantly in mind. These principles may be briefly summarised as follows:

(a) Every day is creating its to-morrow; the future must inevitably be built on the past. But before that building is planned and projected, we should ascertain what were the causes that led to failure—or success—in the recent past, learn and apply the lessons that may be deduced from the past. It is not sufficient to know the facts; we must know their causal relationships and be able to indicate, from the evidence of the past, not the final objectives that must be the expression of collective human will, but the roads by which this or that objective may or may not be reached.

(b) Such evidence as to the past must itself be supported by an adequate basis of fact, and the essential information should be so collated and analysed as to allow those responsible for the formulation of policy to frame their own judgment on them.

(c) While the future that lies before us is veiled, the core of the social and economic issues of that future is likely to be the problem of social security; we know, too, that inherent in the organisation of modern society are dynamic forces conducive to instability. Two groups of such forces may be distinguished: those that lead to fluctuations in economic activity with their train of depressions, stagnation and unemployment, and those that have their origin in demographic pressure or the demographic pattern of society. The continued existence of these forces may be postulated and no social stability can be assured until we have learnt to deal with them. The means by which such control may be rendered effective must therefore constitute the central thread of all constructive thinking for the future and all policies must be considered in the light of their probable effect on economic stability, on demographic conditions, on social security.

It is not my intention in this report to set out in detail the full scope of the projected programme of studies. Such a programme must, indeed, be kept fluid and adapted to changing conditions; but the general range of the subjects I have in

mind is as follows:

(a) *Commercial Policy.*

No person considering the history of commercial policy during the two decades 1919-1939 can fail to be struck by the apparent contradiction between, on the one hand, the policies recommended by national and by international experts, by Governments^o and business-men in conference and, on the other, those actually adopted by each Government, acting in its sovereign capacity. There must be an explanation of this paradox. Before policies for the future can be formulated, it is necessary to ascertain the nature of the forces that drove Governments to act in contradiction to the principles they publicly professed and to consider how far those forces are likely to make their influence felt in the changed conditions that will present themselves after this war.

This recent historical paradox and its explanation must constitute the central theme of any constructive study of commercial policy. But there are many cognate problems—such as the specific causes of the introduction of quantitative restrictions on trade, the possibility of maintaining effective trading relations between countries with a free price economy and those imposing exchange control or maintaining a Government monopoly of trade—which demand separate consideration. Work on these questions is now under way and is being buttressed by⁷ special studies of trading relations, largely influenced as they were by the commercial policies pursued. One such study^o has already been published—namely, that entitled *Europe's Trade* mentioned above. The objects of this volume are to consider what was the part played by Europe in the trade of the world, how far Europe was dependent upon external markets and to what extent external markets were dependent upon her, to estimate the importance to her of what, in the absence of a better term, is known as Empire trade, and to illustrate the commercial and general economic interdependence of different parts of the continent. It will be followed shortly by a companion volume dealing with the trade of the rest of the world, but more especially with the "dollar-sterling-peso" area. The purpose of this

second volume will be to consider the degree of self-sufficiency or dependence of the major countries or groups of countries in the area covered, the classes of goods in which trading takes place, the manner in which the international trading system functioned in the past, the extent to which it was undermined by bilateralism before the war and the effects of bilateralism on the whole mechanism of international transfer. Such analyses of the actual facts are, it is believed, indispensable for the formulation of rational commercial policies; but they require to be supplemented by parallel studies of the more important changes in the factors at play that are taking place to-day. Those changes in international indebtedness, in international services rendered, in international division of the world's industrial equipment, in comparative costs of manufacture, must very largely determine the course of trade in the future and the evolution of commercial policy. In the execution of its programme, the Secretariat must therefore move from the past and through the ever-advancing present. Its programme of work must, as I have already said, remain fluid.

(b) *Raw Materials.*

Closely allied to commercial policy is that of raw materials. In the fourth point in the "Atlantic Charter", the President of the United States and the Prime Minister of the United Kingdom stated that their countries "will endeavour, with due respect for their existing obligations, to further the enjoyment by all States, great or small, victor or vanquished, of access, on equal terms, to the trade and to the raw materials of the world which are needed for their economic prosperity".

Early in 1940, the League published a volume entitled *Raw Materials and Foodstuffs: Production by Countries*, which contains statistics of the production of and trade in all the more important raw materials and foodstuffs country by country. This record of sources of supply constitutes the foundation for the other studies now being undertaken, which are concerned on the one hand with obstructions to free access, raw-material control schemes, raw-material shortages and surpluses at the end of the last war and, on the other, with the proposals that

have been made to assure equal conditions of supply or prevent violent fluctuations in price.

Here, again, the purpose is to ascertain first the nature and cause of the difficulties that have presented themselves and, secondly, the nature and success or failure of the solutions to those difficulties that have been sought.

(c) *Relief and Reconstruction.*

The first measure of reconstruction after the war must be to furnish relief to those in need of it. The economic mechanism cannot function efficiently before the human mechanism. I am proposing that the whole experience of relief and reconstruction should be reviewed, not as two problems, but as one. A memorandum on post-1918 relief measures has already been prepared in first draft and this should be followed by critical studies of the reconstruction schemes on which the League has, of course, exceptional experience. Both economic and strictly financial problems are involved and the experience, not only of those countries which had recourse to external financial aid to re-establish order in their public finances and in their monetary systems, but also of those which were able to rely on their own resources should be examined. Amongst the economic problems will be included, not merely the immediate economic effects of reconstruction loans and the manner in which immediate ill-effects may be checked, but the broader issues of the effects of large international capital movements on economic fluctuations. The various forms of international lending, whether by direct investment or by the acquisition of equities or by bonded debt, or by some system of lend-lease, have widely different ultimate effects on both the financial and the commercial relationships of nations. The nature of these effects and their implications as regards both financial and commercial policy constitute one of the subjects under this general heading of relief and reconstruction to which I am anxious that special attention should be paid.

On the other hand, I am not proposing to include in this programme of studies at present any investigation into the measures taken by Governments after the last war to reconstruct their devastated areas. Certain monographs on this

subject already exist and additional information is at present difficult to obtain. The League published, however, in the autumn of 1939, a volume entitled *Urban and Rural Housing*,¹ in execution of a resolution of the Assembly that an international study should be made "of the methods employed in various countries for improving housing conditions, with special reference to the cost involved and the results obtained". This volume dealt in some detail with housing problems and policies after the last war.

(d) *Agriculture.*

The need for relief will arise mainly on account of the effect of the war in Europe and elsewhere on agricultural production, and neither relief nor reconstruction can be considered independently of agriculture and nutrition. It took six to seven years for European agriculture to recover its productive capacity after the last war, and the need to effect large purchases of food from overseas constituted a major cause of economic strain and financial breakdown. A consideration of the causes and effects of the relatively slow recovery and of the probability of those causes operating again with a like force is clearly a necessary preliminary to the formulation of any rational policy of reconstruction.

This question, which involves a careful study of current agricultural developments in war areas and elsewhere, is therefore the first to which attention should be turned. Work on it has in fact already begun. When it is completed and as the effects of the war on agriculture, especially in Europe, gradually make themselves apparent, it should be possible to draw some tentative and provisional conclusions concerning the demand of the war-affected areas for imported foodstuffs and the probable duration of that demand. But these conclusions must be and remain tentative and provisional. The duration, the amount, and the nature of the demand will depend upon the nutritional and agricultural policies adopted by Governments. The knowledge of nutritional requirements which has been gained in the last twenty years should indeed

¹ Series of League of Nations publications 1939.IIA. 2.

profoundly affect the nature of the demand for foodstuffs and agricultural planning in the future. The League has taken a prominent part in this movement, in the determination of minimum standards, in the promotion of improved nutrition and in the study of the economic and agricultural implications of progressive nutrition policies. But when war broke out, the movement was still in its early stages of development; the war itself has at once gravely reduced nutritional standards and vastly increased the public consciousness of their importance. I am anxious, therefore, that the work so successfully begun by the League should be continued and that the programme of agricultural studies should include a careful examination of the economic and agricultural implications of the adoption of policies by Governments both in Europe and elsewhere, designed to assure a minimum adequate diet to all classes. This should be coupled with a study of the factors which have influenced agricultural policy in the past and a consideration of how far the policies resulting from these factors have been compatible with one another and with accepted nutritional doctrines. In this way, it should be possible to consider the whole complex of questions at once from the standpoint of the consumer and of the producer of essential foodstuffs.

(e) *International Currency Problems.*

One of the two main objects of the reconstruction schemes of the 'twenties was to restore an international currency system. It remains to be seen whether a similar endeavour will be made as rapidly after the termination of this war. But it is at least certain that one of the main concerns of Governments will be social security and freedom from the risk of unemployment, and these major objectives cannot be usefully considered irrespectively of the monetary mechanism required for their realisation. Moreover, at the very outset, the extremely complex problem of the adjustment of national price-levels to one another and to a gradually evolving world price-level will present itself. The rapid and haphazard decontrol of prices in 1918-1919 and the rapid unpegging of exchanges were two of the causes that contributed to the

restrictive commercial policies from which the world never freed itself. A too prolonged maintenance of controls set up for war purposes and inappropriate for a peace economy may have similar disastrous effects. The whole problem of the orderly transition from war to peace economics is one of the most complex and one of the most vital that will confront statesmen, and it is clearly one which calls for a careful international co-ordination of national policies. Before such co-ordination can be attempted, it is necessary that the question should be thought through and all its ramifications explored. Here, unfortunately, the evidence of the past is of but limited value, as the lack of co-ordinated policies and of any orderly process of adjustment was one of the major causes of subsequent confusion. Some preliminary work on this question has been initiated with a view to defining the many distinct problems which present themselves for solution.

No international currency system can be established until this process of adjustment is completed; but many of the lessons to be derived from past currency experience will require to be considered before then. The programme of work has been designed therefore to cover such questions as the advantages and disadvantages of fluctuating or fixed, free or controlled exchanges, the suitability of fixed exchange rates for agricultural countries, the causes of the drift towards monetary autarchy, the principles of policy employed in the gold exchange standard in the 'twenties and the sterling standard of the 'thirties, exchange equalisation funds as a contribution to currency machinery, conditions essential for the successful operation of various currency systems. These questions, on which much evidence from the last twenty years is available, constitute an interrelated whole and their study is a natural complement to the annual surveys of monetary experience which the Department has prepared in the past.

(f) *Economic Depressions and Social Security.*

In execution of a resolution adopted by the Assembly, the Council of the League appointed a delegation in 1938 "to study and report on the measures which might be employed with a view to the prevention or mitigation of economic depressions".

In the early summer of 1939, a first draft report was considered by the delegation and a second draft was circulated to members in August 1939. The war itself must give rise, as all great wars do, to serious additional causes of economic disequilibria and instability and to new problems of major importance with which the final report will no doubt deal. Many of the studies I have mentioned are clearly essential for the preparation of such a final draft, which will be concerned, not only with the self-generated causes of alternating prosperity and depression, or with the structural changes which take place during the war, but with the longer-term influences of demobilisation programmes, of reconstruction measures or of the orderly or disorderly processes by which national price-levels are adjusted to one another.

It is not possible to attempt the final drafting at this stage, but it is, I think, of great importance that the Secretariat should be fully prepared to undertake this work whenever it may be required and that it should make a careful study of the first period of boom and depression after the last war, of the causes that contributed to these booms and depressions, and of the means by which they might have been mitigated. Some of the evidence relating to this period has already been collected and analysed and a start has also been made on the more complex questions of the extent to which the tragic depression of 1929-1932—which contributed so largely to that social disorder and spiritual unrest that preceded the war—was due to causes that had their origin in the war of 1914-1918 or in the policies of reconstruction subsequently adopted. Policies for the future must be framed in the light of all available evidence concerning the causes contributing to fluctuations and economic disequilibria in recent years. But the problems are extremely complex and demand careful and scientific consideration. Much of this work will be required not only for the purposes of the delegation's final report, but in order to throw light on the other problems I have mentioned, on commercial policy, on reconstruction and relief, on agricultural policy, on monetary policy. Indeed, the whole dynamism of economic life is bound up with this problem of fluctuations in economic activity as it is with the forces arising

out of the slower changes in the demographic pattern and behaviour of society.

(g) *Demographic Questions.*

In 1938, the Assembly passed a resolution requesting the Council of the League " to constitute a special Committee of experts 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 ".

The Committee, which met in 1939, approved a general plan of work on these subjects, a plan which was interrupted by the outbreak of war. Since the economic and financial mission began its work in Princeton, an arrangement has been made under which the Office of Population Research in Princeton University has agreed to carry out this programme under the general editorship of the Director of the Economic, Financial, and Transit Department of the League. The full details of the programme (see Annex, page 33) have been approved by me. As the amount of work involved is necessarily considerable, this programme is at present confined to Europe; but that fact does not preclude its subsequent extension to other areas should circumstances permit. The Demographic Committee was anxious that the work at headquarters should be accompanied by field studies in selected regions. Such field studies are to-day, of course, impossible; but it is proposed to analyse the available data for relatively small regions in order to obtain as accurate a picture as possible of the general demographic pattern and trends in Europe. It is believed that this whole study will prove of real value as affording the essential basis of facts when the peacetime organisation of Europe arises for discussion.

III. *The Form of the Documentation.*

I have emphasised more than once the need for keeping this whole programme of work elastic, and any rigid rule regarding the final form that the results of these various investigations should take would clearly be inappropriate. Certain of the

studies—such as those relating to trade and part at any rate of the demographic programme—are being prepared for publication. Others, such as certain of those relating to economic depressions, are needed for the preparation of draft reports to be submitted when the time comes to the appropriate League committee. Others should be available in type-script form for the use of whatever Government organs may be concerned at any moment with the particular subject with which they deal. In some cases, all that is required is that the Secretariat should have made so thorough a study of the problem as to be able to prepare a memorandum on it at short notice in the form most appropriate to meet whatever demand may arise. It is important, therefore, that Governments should be aware of the work that is being undertaken, in order that they may avail themselves fully of the League services.

IV. *Cost of the Work.*

The work of the Department on current economic events is divided between Geneva and Princeton and is covered for the most part by the normal budget of the Department. The programme of studies of the post-war settlement, on the other hand, is being carried out in Princeton, and—apart from the salaries of the permanent members of the Economic, Financial, and Transit Department in Princeton, who divide their time between this and other work—is covered by a grant generously voted by the Rockefeller Foundation.

I should like to record my gratitude to this and other foundations which have directly or indirectly aided the work of the Department and to the authorities of the Princeton University and the Institute for Advanced Study for the facilities they have offered and the help they are giving.

2. FISCAL COMMITTEE

On tax problems, the League is carrying out the programme to which I referred in my "Brief Statement" of last summer. The draft reports adopted by the Conference on International

Tax Problems that met in Mexico in June 1940, thanks to the hospitality of the Mexican Government, have been distributed to the members and corresponding members of the Fiscal Committee. The first of these reports, which deals with the principles of taxation, is now being used, in spite of its provisional character, by several Governments of Latin America as a guide in their tax reforms. The second report, which contains a revised model convention for the prevention of international double taxation through income and property taxes, is regarded by a large number of tax administrations as a useful basis for bilateral negotiations with other countries.

In the autumn of last year, I sent the secretary of the Fiscal Committee on mission in order that he might establish personal contacts with the fiscal authorities that had been represented at the Mexico Conference and with other Governments. From the conversations he had, it is apparent that there is a widespread desire that a second conference should be organised as soon as possible to pursue the work that was begun in Mexico. The suggestion was also made that the past studies of the Fiscal Committee on tax evasion should be resumed and that enquiries should be undertaken on the co-ordination of central and local finance which constitutes a pressing problem in a number of countries. It is proposed, therefore, to convene a second Conference on Tax Problems in the course of the current year in some Latin-American capital.

The secretary of the Fiscal Committee had the opportunity to discuss the various activities of the Economic and Financial Organisation with members of the Governments and administrations in the twelve countries he visited. In the course of these conversations, relating to the work of the Economic Intelligence Service, drug control, nutrition, tariff nomenclature, etc., the desire of the various Governments to be fully associated with the technical work of the League and to be fully informed about it became apparent.

3. COMMUNICATIONS AND TRANSIT

I. *Current Developments.*

My "Statement on the Activities of the League" issued in 1941 mentioned the fact that information concerning important developments in the sphere of communications was being regularly collected, analysed and recorded month by month by the Secretariat. This work has continued, as it is obviously important that the evolution of the transport situation should be closely followed. The far-reaching changes which are progressively taking place both in structure and in methods of exploitation will, no doubt, directly or indirectly influence the post-war situation. As a result of present circumstances, indeed, transport is developing along new lines. Even in regard to regime and organisation, measures which are being taken in different countries, although devised to meet the particular needs of the moment, are nevertheless intended, in part, to prepare the way for future developments.

This is true of the most important pre-war problem in this field—that of the co-ordination of transport, concerning which an enquiry was conducted amongst Governments by the League's Organisation for Communications and Transit and resulted in the publication of much valuable information covering the period up to the outbreak of the war. The efforts made before the war were intended primarily to promote the normal co-existence and collaboration of different means of transport and they were more particularly directed towards preventing ruinous competition between rail and road transport. Now, a new tendency prevails. The object sought is the general rationalisation of the means of transport taken as a whole, so that to each there may be allotted those kinds of activity which are best suited to its special capacities. Thus would be ensured the most efficient use of each of these means and a maximum yield of all of them, in the general interest of the community.

On the basis of the information collected, certain studies were undertaken bearing on some more particular issues and relating especially to the evolution of the transport situation in Conti-

mental Europe since the beginning of the war, for it is there that the changes have probably been the most radical. This work has been facilitated by the fact that it is being carried on at headquarters in Geneva. For the moment, part of it has necessarily an internal character, the intention being, in the first place, to prepare documentary material that shall be as complete as possible, with a view to providing a basis for future investigations in this field.

II. *Transport in relation to Post-war Relief and Reconstruction.*

As already stated, the developments at present taking place will undoubtedly influence the future transport situation. That situation will be a factor of outstanding importance in all action concerned with post-war relief and reconstruction. The transport facilities then available will, indeed, to a large extent determine the possibility of executing plans for relief—e.g., those for sending the necessary foodstuffs to populations in distressed areas and for supplying countries with indispensable building materials as well as raw materials in general. For this reason, the first measures to be taken after the war must certainly include the rapid reconstruction and re-opening of means of transport that have been damaged as a result of hostilities, together with the normalisation, as far as possible, of the working of the different national transport systems and the re-establishment of international collaboration or control.

In considering the probable developments in transport after the war, it is obviously useful, not only to note wartime changes, but also to examine the situation that existed after the war of 1914-1918 and the problems that arose during that period. Investigations have accordingly been undertaken in this direction also, more particularly with regard to the situation of maritime navigation in the period following the armistice of 1918 and the economic consequences of that situation. It is not improbable that, as a result of the greater and more widespread destruction and deterioration of means of transport and of material, the situation in regard to both

maritime and land communications will be even more serious after the present war. It is certain that the restoration of communications in the interior of many countries and the re-establishment of indispensable international connections will constitute an enormous task. It is therefore obvious that all possible advantage must be taken of the experience gained after the first world war.

In this connection, the important and effective part played by the League in the reconstruction and the reorganisation of communications after the war of 1914-1918 will be remembered. The League's action was, in the first place, more particularly concerned with Europe and was afterwards extended to certain extra-European countries. The experience thus acquired may well be valuable and an analytic investigation is therefore envisaged of the methods employed and the results achieved. Certain preliminary work has already been started, so far as the present resources of the staff permit. Moreover, the possibility of collaboration with certain competent institutions also engaged on a study of the same problems has been considered, and their work is being closely followed.

Further, even after the first period of relief and reconstruction, transport will have to play a very important part in efforts to bring about that general improvement of social conditions which has been proclaimed as one of the aims of post-war reorganisation. It is not necessary to stress the fact that the general standard of living is inevitably affected by the existing means of communication and, more particularly, by the policy which governs their exploitation. This is already clear from the first results of the enquiry amongst Governments on this matter, initiated by the League shortly before the outbreak of the present war. The problem must also be borne in mind for the future.

III. *Future International Organisation.*

It is not yet the moment to attempt to draw up plans for the organisation of transport in the international sphere in the future, or to lay down the basis and forms of future collaboration between States in this field. Nevertheless, preparatory

studies have already been started, as a contribution towards a possible examination of this problem by the competent authorities at a later date. In this matter also, it would be unwise not to take advantage of the experience gained in the past. The international action which started in the nineteenth century in this field was the first effort of the kind and it gave valuable practical results—both as regards the organisation of transport between countries, transit, common tariffs, etc., and in connection with the international regulation and unification of technical, administrative and legal rules concerning transport.

In this sphere, too, during the twenty years between the two wars, the League's Organisation for Communications and Transit contributed largely to the framing of what was beginning to form an international statute on communications. Numerous conventions and agreements concerning the international regime of different means of transport were concluded under its auspices and received broad practical application by Governments. A critical analysis of the results achieved in the past will therefore enable valuable conclusions to be drawn at the moment when it seems possible to proceed with the preparation of the new organisation of the future.

Annex.¹

DEMOGRAPHIC PROBLEMS

Demographic trends are basic factors in the economy of nations and in international relations. The acute population problems connected with the origin, conduct, and liquidation of the war are obvious to all, and most of both the popular and the scientific discussion of the relation of population to war and peace has centred about them. "Overpopulation" is one of the "causes" to which wars are popularly attributed. The mortality of combatants, the increased deaths of

¹ See page 27.

civilians, the deficit in births, and the displacement of peoples all gave rise to problems of great magnitude during or after the last war. However, much more significant is the dynamics of differential population growth and decline. Deep-lying demographic trends have been powerful factors in the political relations of Western nations. With the trend towards declining numbers, they may well become one of the most important political and economic issues of the future. The existence of these trends, the differences in their development in the various regions, classes, and nationalities, and the ideas people have concerning them must be taken into account in any economic or political reconstruction. Under any economic and political system that does not permit mobility of capital and men, differences in rates of growth alone will make difficult the preservation of an equitable peace among nations.

The project is at present outlined as an analysis of the European situation. Other areas will be considered subsequently. This programme will be carried out as a series of independent but closely linked studies of such a form that each can be separately printed and the whole collection could, if required, be bound together in book form.

A. STUDIES ON EUROPEAN DEMOGRAPHIC PROBLEMS

I. *Historical Note. The Background of the Demographic Situation in Europe.*

- A. The rapid growth of the eighteenth and nineteenth centuries in an expanding economy.
- B. The later and staggered decline in fertility, a by-product of industrialisation, as a relief from danger of acute general pressure, followed by the stimulus of a new, though perhaps somewhat conjectural, fear of a long spiral of decline.
- C. The results of different rates of population growth in intensifying regional differentials in the relation of population to natural resources, cultural development, and economic opportunity.

II. *General Description of the Relationship of Population to Resources in Pre-war Europe. (Factual study.)*

A. Introduction.

1. Summary of European density patterns 1870's, 1910, 1935.
2. Elaboration of data relating to size, density, levels of living, occupational structure, etc., of the population as of the 1930's.

(The purpose is to show the gross relations between density of population, levels of living, and resources.)

- (a) Map showing larger urban population (25,000 or more), and the remainder of the population by small areas;
- (b) Map showing population of major occupation groups. Use consolidation of groupings in D.P.f.R.D.S.¹
- (c) Level-of-living index for small areas. (Such an index should give weight to health and education and, when possible, to economic status. Paucity of data may prevent the construction of uniform indices throughout all Europe.)

B. The relation of population to utilised agricultural resources.

(The purpose is still to show general relationships and to identify poor or "problem areas" rather than to examine the specific problems of such areas.)

1. Density of the agricultural population on agricultural land (for small areas):

- (a) Agro-forestal area *per capita*;
- (b) Agricultural land *per capita*;
- (c) Cultivated land (including bush and tree crop areas) *per capita*.

2. Economic status of agricultural population (for small areas):

- (a) Physical productivity of land and labour;
- (b) Proportion of value of products consumed on holding of origin;
- (c) Distribution of holdings by size and tenure;
- (d) Farm equipment.

(An attempt should be made to obtain indices of sufficient reliability to differentiate the areas studied with respect to the above items.)

3. Cultural levels of the rural population:

- (a) Literacy;
- (b) Mortality (infant mortality and tuberculosis).

4. Discussion of the interrelations of 1, 2, and 3, and delineation of rural problem areas.

C. Relation of density of population to living levels in urban areas.

1. Nature of relationship.

¹ D.P.f.R.D.S. — "Draft Plan for Regional Demographic Studies".

2. Broad occupational and industrial distribution of non-agricultural population:
 - (a) For each city of 300,000 or more;
 - (b) For balance of non-agricultural population by smaller regions.
3. Levels of living in major urban communities (probably using data for cities of 100,000 or more, classified by regions):
 - (a) Economic indices—e.g., wage rates, earnings, hours of work per day, housing;
 - (b) Mortality (infant mortality and tuberculosis);
 - (c) Literacy.
4. Consideration of the degree of dependence of the urban population of various countries on foreign trade.

III. *The Dynamics of European Population.*

- A. Past trends in mortality and fertility of nations and regions.
- B. Differentials in rates of natural increase, 1930-1935.
- C. Fertility differentials, 1930-1935.

(Maps should be presented showing fertility by provinces throughout Europe in relation to the composition of the population. The intention is to show the extent to which the birth rate is correlated with social-economic status. In this section, population change is considered as a dependent variable.)

IV. *Implications of Present Trends in Rates of Population Growth for the Future Populations of the Nations and the Major Regions of Europe.*

- A. The future trend of fertility.

(A general discussion of possible limits to the decline of fertility, and the likelihood of eventual serious depopulation in Europe.)

- B. The prediction of future population.

(The implications of the pre-war situation may be portrayed vividly by projecting populations forward on the assumption of a continuation of the pre-war trends to a given date in the future. These projections are usually called predictions; actually, they are only descriptions of the situation which would exist in the future if recent trends continued unaltered.)

1. Methods:

- (a) General assumptions;
- (b) Procedures;
- (c) Limitations:
 - (1) Based on pre-war boundaries;
 - (2) Ignores population losses and displacements during the war;
 - (3) Absence of satisfactory estimates of future migration.

2. Total population by age and sex, to 1970.

V. *Population in Employable Ages, by Sex.*

- A. Relation of males in employable ages to future gainfully occupied population.
- B. Estimates of number of additional persons who will have to be absorbed into the economies of various countries year by year.

VI. *The Role of Migration in the Equalisation of European Population Pressures.*

A. Internal migration.

(The problem here is twofold: (a) To what extent and under what circumstances has migration within countries tended to be from regions of less to regions of greater economic opportunity? (b) To what extent and under what conditions do cities absorb surplus rural population?)

1. Movements between regions. Here, for countries where migration gain or loss is available for the most recent intercensal period, provinces would be classified into four categories:

- (a) Areas of absorption (gaining by migration);
- (b) Areas of balance (little net gain or loss by migration);
- (c) Areas of dispersion (population loss by migration which is more than compensated by natural increase);
- (d) Areas of depopulation (loss by migration greater than natural increase).

These migration characteristics, related to the economic and social characteristics of the areas, would indicate the extent to which migration was tending to equalise economic opportunity, or at least to prevent increasing inequality.

2. The population dynamics of industrialisation—i.e., growth of cities and rural migration to cities considered in relation to problems of agrarian overpopulation.

B. International migration within Europe.

1. Permanent migration within Europe. A statistical analysis of net migration, with special reference to the migration from Eastern to Western Europe, including extent, period of occurrence, and demographic effect on both country of origin and country of destination. The situation in France would be analysed in considerable detail.
2. Seasonal migration as a substitute for permanent migration. Extent, conditions, effects, and limitations.
3. The effect of constricted national frontiers of population movements.
4. Political and cultural difficulties involved in migrations of sufficient magnitude to lessen pressure appreciably in overpopulated agrarian countries.

C. Intercontinental migration.

(This would involve essentially an interpretation of available statistics within the conceptual framework of the present analysis, and not an elaborate analysis of migration statistics *per se*. The treatment would be briefer than that accorded either internal migration or migration within Europe, because the possible uses of intercontinental migration as a post-war adjustment technique seem so slight.)

1. Historical role, with special reference to its effects on definite regions of the countries of origin and destination.
2. Effects of the virtual cessation of emigration.

VII. *The Economic Problems associated with Rapid Population Growth in Europe.*

A. General characteristics of areas of rapid population growth.

1. Their agricultural nature.
2. Their early stage of economic development.

B. Nature of the economic problems that arise.

C. General types of solutions.

1. Increase of agricultural productivity:
 - (a) Area expansion; land reclamation.
 - (b) More intensive cultivation.
 - (c) Technological development.
 - (d) Difficulties; law of diminishing returns; lack of capital; social and cultural barriers to rapid technological advances; lack of foreign markets for increased agricultural production.

2. Internal redistribution of population.

3. Emigration:

- (a) Definitive objections of receiving country; cost to country of emigration.
- (b) Temporary and seasonal: advantages of cheap labour to receiving country, of income and training to sending country, disadvantage to sending country in times of depression.
- (c) Migration of capital and reduction of economic barriers as a substitute for human migration, leading up to (a).

Industrialisation, urbanisation, and enlargement of economic unit:

- (a) Resources, size of State. Extension of size—extension of types of resources.
- (b) Labour:
 - (1) Ample supply of unskilled labour;
 - (2) Shortage of skilled labour and of technical and managerial skills.
- (c) Lack of capital.
- (d) Markets: smallness of domestic market in ethnic State, competition with developed industries in Western Europe, fostering of infant industry.
- (e) Advantage in terms of trade to an agricultural State obtained from importing raw materials instead of manufactured goods.

5. Study of special areas.

(Problem areas as delineated in Section II, considering the applicability of general solutions to specific situations.)

6. Problems of future population pressure.

(The techniques of relieving population pressure outlined above are at the same time the conditions for reducing the population growth producing that pressure.)

VIII. *Areas of Actual or Incipient Population Decline.*

A. Delineation of areas, based on Section IV.

(Includes: 1. Areas of actual decline in total population; and
2. Areas in which only the younger cohorts are now declining.)

B. Economics of the transition from growth to decline.

1. The rôle of population growth in the expansion of Europe through the nineteenth century.

2. The rôle of diminishing rates of population growth in the depression of the thirties.

C. The economics of decline under various assumptions as to the conditions in which it occurs.

1. Critique of static analyses.
2. Dynamics of the economy under conditions of population decline.

D. Methods of countering the adverse economic effect of population decline.

1. Domestic Governmental policy:

- (a) Measures to reduce impact of business fluctuations;
- (b) Measures to meet specific problems caused by the ageing of the population (e.g., Problems created by changes in specific demand, technological changes, the rising burden of old-age dependency, changes in the allocation of public expenditures, etc.).

2. International measures.

(Presented in terms of the reciprocal needs of areas with declining population and areas with population pressure.)

E. Problems of special areas as delineated from materials presented in A.

F. Implications for the future.

(The problems of decline will become increasingly important as the small family pattern spreads over Europe. In the absence of positive policies, decline may eventually characterize most of the nations of Europe.)

IX: *Population Policy as a Means of forestalling Rapid Population Decline.*

(This could be a broad general summary of the development of population policies, the probable intensification of concern in the future, and the implications for an economy of any population policy that is to reduce the economic burden of the multi-child family to any appreciable extent. It would be a sound note on which to end, and there is some justification for doing it, since: 1. It will be a problem of increasing importance, whatever the economy and the governing power. 2. In this case, population assumes to a considerable extent the rôle of an independent variable producing extra modifications of the entire distributive process.)

B. STUDIES OF ASIATIC PROBLEMS—to be elaborated.

C. STUDIES OF OTHER REGIONS—to be elaborated.

II. QUESTIONS OF A SOCIAL AND HUMANITARIAN CHARACTER

1. HEALTH QUESTIONS

At a time when epidemic diseases and the situation with regard to the food supply are the chief subjects of preoccupation of health administrations in many countries, it is natural, indeed inevitable, that the Health Section should concentrate its work on those subjects.

Epidemic Diseases.

In the campaign against contagious diseases—whether they are described as pestilences as in the case of typhus, plague, smallpox and cholera, or whether they follow a less dramatic course as in the case of diphtheria, scarlet fever or cerebro-spinal meningitis—there are two conditions which, in these troublous times more than ever before, require fulfilment. On the one hand, it is important to know the centres of infection, their nature, situation and extent, and the way in which they are developing, for the more rapidly a danger is recognised, the less difficult will it be toward it off. On the other hand, means must be found for rendering the individual, and if possible the masses, proof against the action of any particular agent of infection. It is in this connection that the use of preventive sera finds its place. These sera, however, must be of such a titre that their activity is certain. It is the purpose of international biological standardisation to furnish the means for guaranteeing that titre.

The health administrations had therefore to be informed of the course taken by epidemics and they had to be supplied with standard preparations by means of which sera could be assayed. Notwithstanding drastic reductions in staff, the Health Section, thanks to the experience gained during the past twenty years, was in a position to meet both these requirements.

In regard to the first point, its *Service of Epidemiological Intelligence and Public Health Statistics*, which was set up immediately after the first world war for the purpose of facilitating measures taken against the epidemics to which that war had given rise in Eastern Europe, has been able to continue its work without interruption during the second world war.

The course of events has, indeed, affected that work and it has had to be adapted to the new conditions created by those events.

At the end of 1939, the first disturbances in postal communications due to the conflict made it necessary to develop and improve the system adopted for the transmission of epidemiological information by wireless. The powerful naval station at Kranji (Malaya) was added to the chain of ten stations which transmitted the weekly message of the Singapore Bureau, the Eastern Branch Office of the Service.

In May 1940, the territories of the French Empire and, subsequently, the invaded countries of Western Europe ceased transmitting sanitary information.

Certain parts of the British Empire ceased transmitting such information in November and, in December, the Regional Sanitary Information Bureau for the Near East at Alexandria (Egypt) suspended its activity.

The year 1941 brought, at first, an improvement in this situation. Nearly all the occupied countries began once more to transmit their epidemiological information. Further, *ad hoc* arrangements made possible a similar resumption in the case of the French possessions and the British possessions.

The invasion of Yugoslavia and of Greece, on the other hand, put an end to the transmissions from parts of those countries.

Later, the invasion of the Union of Soviet Socialist Republics created a health problem of great magnitude, as it led to the exodus of millions of refugees from a zone where typhus is endemic and brought to that region millions of soldiers from Central Europe who were receptive to the disease.

Although no figures are available concerning the ravages caused by typhus in the zone of operations, and even outside that zone, amongst the troops, the frequency of secondary cases amongst civilians in certain European countries clearly shows the gravity with which the focus of this disease had to be regarded.

At the end of 1941, the occupation by Japan of French Indo-China, Siam and ports in China, followed by that of the Philippines and Malaya, progressively restricted the field of action of the Bureau at Singapore and it had to cease functioning in that city early in 1942. Thanks to the hospitality of the Australian Government, the Bureau has now been re-opened in Australia and will carry on within the limits imposed by war conditions.

Though this interruption in work which had proved its great usefulness over a period of seventeen years must be recorded with regret, it should be noted that the interruption is less dangerous for public health than would have been the case in normal times, in view of the *de facto* stoppage of maritime and air communications between the zone occupied by the Japanese and the rest of the world.

* * *

The arrangements which had been made in 1940 in order to meet the difficulties occasioned by the slowing-up of ordinary communications between the Geneva centre and overseas countries worked satisfactorily in 1941. The telegraph was used for the regular transmission of information concerning the more important epidemics and the *Weekly Epidemiological Record* was despatched to extra-European countries by air-mail.

Air-mail transmission was employed for the regular exchange of information between the Pan-American Sanitary Bureau at Washington and the Geneva centre. In the opposite

direction, also, the air-mail service was used by the Federal Public Health Service and the Pan-American Sanitary Bureau for sending to Geneva information concerning respectively the United States and the whole of the Americas.

The agreement concluded in 1927 with the Paris *Office international d'Hygiène publique*, in virtue of which the *communiqués* of that Office are printed in the Health Section's *Weekly Epidemiological Record*, continued to be carried out notwithstanding the difficulties arising from delays and irregularities in postal communications.

The *Weekly Epidemiological Record* has, in fact, appeared regularly and without any interruption at Geneva throughout the course of the war. At the beginning of 1942, it started its seventeenth year with its 827th number. During the year, 850 copies of each issue were printed.

It was found possible also to complete and distribute at the end of 1941 an *Annual Epidemiological Report* (E.I. 23), the preparation of which had been interrupted in June 1940. It should be pointed out that this volume, the sixteenth of its kind, consisting of 114 large pages, contains not only detailed and corrected epidemiological data relating to 1938, the last pre-war year, but also more recent vital statistics covering the first two years of the war.

The next volume of this series will have to cover not merely one year but the whole of the period of hostilities and it will, in addition to giving the usual statistical tables, have to bring together the various observations and partial studies made by the Health Section, while the war was still going on, in regard to the effects of the war on different aspects of public health, the incidence of cerebro-spinal meningitis and of typhus, infant mortality, general mortality, etc. These studies have in part been published in the *Weekly Epidemiological Record*.

Standardisation of Sera and of Vitamins.

Biological standardisation, too, had its origin in the first world war. It was then that the danger of using sera that had not been tested, or had been assayed according to different standards, became apparent. It happened, indeed, on several

occasions, that a medical practitioner, relying on the indication of the number of units contained in an ampoule of foreign origin, injected a quantity of serum which he quite justifiably thought to be appropriate, but which was, in fact, inadequate, as its potency was expressed in terms of a unit much less active than that to which he was accustomed. Hence there were a number of cases of infection which might have been avoided. To-day, such errors need no longer be feared since, thanks to the work accomplished by the Commission on Biological Standardisation, all sera, whatever may be their origin, are assayed by reference to common measures.

Arrangements had, however, to be made by which the institutes of the different countries could continue to be supplied periodically with the standard preparations which would enable them to adjust the strength of the sera which they produced. The Danish State Serum Institute at Copenhagen has continued, as in the past, to act as the distributing centre for international serum standards. The laboratories with which it was unable to communicate have been supplied by the National Institute for Medical Research, Hampstead (United Kingdom).

Although there have been delays owing to disturbances in postal communications, no hindrances have ever been placed in the way of the despatch of these sera. This fact should, no doubt, be regarded as proof of the importance which Governments attach to biological standardisation and of the high value they place upon it.

International standardisation, however, does not relate only to sera. It applies also to vitamins, hormones and certain medicaments such as insulin, digitalis and the arsenobenzenes. The Hampstead Institute, in conjunction in some cases with the Health Section, has continued to carry out the distribution of the standards of these substances.

The international conference which it was intended to convene for October 1939 for the purpose of bringing the assaying of preparations containing vitamins into line with the latest advances in scientific knowledge could not be held. It was intended that the conference should, in particular, standardise vitamin E before laboratories made a habit of

employing units of activity which, being based on different biological criteria, would be difficult to compare. In these circumstances, some of the experts who had been designated to take part in this conference took the initiative of proposing the adoption, for international use, of a standard preparation of vitamin E supplied by the firm of Hoffmann-La Roche, Basle. Following on comparative assays carried out in 1941 in thirteen different laboratories, this preparation has been recognised as being suitable for adoption as an international standard. It is now distributed to the laboratories concerned by the Hampstead Institute. Other vitamins also, in particular those constituting group B₂, require to be standardised. It is therefore clear that the programme of work which the Commission on Biological Standardisation laid down for itself is far from being exhausted.

The results of the latest research conducted under the auspices of the Commission were published in 1941 in the *Bulletin of the Health Organisation*; they relate to the standardisation of tetanus antitoxin, antivenenes (viper, cobra) and vitamins B₁, D₂, D₃ and E.

* * *

In regard to a further aspect of the question of the standardisation of therapeutic agents, mention should be made of the considerable work of a very complex character accomplished since 1938 by the Committee of Pharmacological Experts, which has undertaken the task of drawing up an international pharmacopœia. The completion of this work would lead to the standardisation of medicinal preparations—some of which at present differ from one country to another in respect of the proportion of active principle they contain—and the results of treatment would thereby become universally comparable. This would, furthermore, be an advantage from the point of view of the chemical industry, which, by reason of the diversity of the requirements of national pharmacopœiæ, now finds it necessary to prepare, for one and the same product, a whole series of different qualities which serve identical therapeutical purposes.

The elements of an international pharmacopœia have, in fact, already been brought together by the Committee in the form of eighty-five monographs, intended ultimately for insertion in national pharmacopœiæ, each monograph serving to define one medicament. Before reaching that stage, however, the method of presentation of these monographs needed to be unified and their text had to be subjected to a final revision. That was the work which was pursued during the past year.

* * *

Food Restrictions and Health.

In regard to nutrition, the Health Section endeavoured to ascertain to what extent the rationing imposed on European populations had already influenced the general level of health. This implied a somewhat detailed study of systems of rationing, with the object of determining the nutritive value of the rations officially accorded and any respects in which they might be deficient, whether quantitatively or qualitatively.

From the statistical standpoint, the earliest evidence of the harmful effect of under-nourishment is, as past experience has shown, an increase in infant mortality and in the number of deaths from tuberculosis, as the effects on the general death rate do not become obvious until after a longer period. From an examination of the most recent information available, it is clear that a marked increase in infant mortality occurred in 1941 in certain towns in Belgium, France and the Netherlands. The curve for deaths from tuberculosis has risen very steeply in the occupied countries and to a lesser degree in Germany and the United Kingdom. Although less definite, because they are less recent, the indications given by the general death rate suggest a decline in the average level of health. Analysis will still be necessary before it becomes possible to ascertain the importance to be attributed to the various factors that may have been in operation. Nevertheless, having regard to the striking similarity between present conditions and those which obtained towards the end of the war of 1913-1918, it may even now be asserted that

under-nourishment is responsible in a large measure for the increases in the death rate that have been recorded.

In order to form an opinion, account had necessarily to be taken, not only of statistical data, but also of clinical observations made in the countries where food restrictions are most severe. In this connection, too, the facts recorded are far from reassuring. Already, in addition to cases of loss of weight ranging from 5 to 20 kilogrammes, a recrudescence of pulmonary tuberculosis, with a marked tendency to develop unfavourably, is being noted. Cases of so-called starvation oedema and other conditions attributable wholly or partly to lack of vitamins are making their appearance. This raises the problem, of fundamental importance for the future of the race, of the available supplies, present and future, of what are called "protective" foodstuffs—i.e., those foodstuffs which are rich in vitamins and in certain other principles that are indispensable to the development and normal functioning of the body. The Health Section is at present engaged in the study of this question.

A summary of the information collected concerning the influence of food restrictions on health will shortly be published as an integral part of a monograph dealing with rationing considered in all its aspects.

* * *

The Furnishing of Information concerning Health Questions.

An appreciable part of the work of the Health Section has been devoted to replying to requests for information. These requests covered the most varied subjects. Some of them were concerned with the health situation in certain countries or with the trend of a specific disease and could be quickly met thanks to the statistical archives of the Epidemiological Intelligence Service. Others related to some of the many health questions of a special character. To reply to these, reference had to be made to the documentary material (consisting of more than 5,000 studies) published during past years by the technical commissions of the Health Organisation, whilst, in some cases, it was necessary to resort to the resources,

of the League of Nations Library with its medical, health and legislative collections, which, by reason of their international character, are unique in Europe.

The following list of the subjects to which the information furnished during the past year related clearly shows the diversity of the requests made and the predominant preoccupations of health authorities at the present time. Thirty-three requests were concerned with epidemiology and health statistics. They related to the organisation of a national epidemiological service, demographic and health statistics, the nomenclature of diseases and causes of death, *the influence of the war on the health situation, typhus, influenza, tuberculosis, cancer, poliomyelitis, malaria, cholera, trypanosomiasis and other tropical diseases.*

Thirty-two other questions referred to other branches of public health: the medical and sanitary organisation of colonies and other countries, the training of health staffs, *feeding and nutrition, protection of the health of youth, physical training, pre-marriage examinations and certificates, rural sanitation, dental care and international hygiene, alcoholism, narcotic drugs, benzolic intoxication, climatology.*

The applicants for information were in seven cases international organisations, in twenty cases national authorities—Ministers, Ministries or their representatives—in seven cases regional health authorities, in seventeen cases university or private research institutes, in six cases public welfare organisations and in eight cases other institutions.

The requests came from seventeen countries: French West Africa, United States of America, Australia, United Kingdom, Canada, Chile, China, Colombia, France, Germany, British India, Iran, Italy, Mexico, New Zealand, Poland and Switzerland.

* * *

Future Possibilities.

After this short review of the quite recent past, it may perhaps not be over-rash to turn towards the future and endeavour to outline the way in which the Health Section might prove to be a useful auxiliary of health administrations

in their efforts to deal with the consequences of the war and the problems of the post-war period. Already measures, some of them entirely new, have been taken to safeguard public health and, in the case of certain countries, the Health Section has made a study of these. It is important that it should keep itself informed of the regulations enacted so that it may be able to acquaint the health authorities of any country with what is being done elsewhere. Such a case has already occurred and it was possible to furnish an adequate reply. By doing this, the Health Section would, moreover, not be breaking new ground; it would merely be adapting to present circumstances the means of exploration which it formerly utilised for the purpose of its study on the effects of the economic crisis on public health.

The field of nutrition seems to be that which offers the greatest opportunity for action by the Health Organisation, by reason of the experience it has acquired on that subject. The *Report on the Physiological Bases of Nutrition*¹, which its technical Commission drew up in 1935, remains a landmark in the evolution of dietetics. It is true, however, that the standards therein laid down are optimum standards, and they will unfortunately have to be reduced in many countries. Nevertheless, the consensus of opinion to which they give expression retains its full value, for it defines the objective towards which efforts must be directed as soon as hostilities come to an end.

Until then, lower standards will inevitably have to be accepted. In the first place, everything must be done so as to allocate available supplies of foodstuffs in such a way that the intake of energy furnished by the official rations may be sufficient to enable the individual to live without feeding unduly on his own substance. That is the object of food rationing. The various forms it assumes have already been the subject of a study by the Health Section and this study must be kept up to date, for it may be possible to deduce from it certain guiding principles which will have to be applied in the post-war period.

¹ Document A.12(a).1936.II.B.

• In the second place, care must be taken to ensure that the so-called "protective" foodstuffs are allotted by right of priority to those population groups which are most threatened, whose needs are most urgent and which are the most precious—children, adolescents, pregnant and nursing women. In Europe to-day, foodstuffs which possess a high protective value are rare. Some of them, such as cod-liver oil, for instance, are unobtainable in many countries. When the time comes, as is anticipated, for large quantities of foodstuffs to flow into countries where want is rampant, an important place must be given to protective foodstuffs, some of which can, at the present time, be prepared synthetically or even in a concentrated form. Two problems will then arise: that of the choice of these foodstuffs and that of their distribution in accordance with the frequency and gravity of deficiency symptoms observed amongst the suffering populations. The Health Section, which still has the advantage of access to many and widespread sources of information which are lacking to others, must contribute its share to the solution of these humanitarian problems.

In Asia, the land of rice-eaters, this cereal must be made to yield all it can give—that is to say, steps must be taken to ensure that the grain is not deprived, by excessive polishing or inadequate methods of cooking, of certain of its nutritive and protective qualities. These questions were raised in 1937 at Bandoeng (Java), during the Conference of Far-Eastern Countries on Rural Hygiene. They formed the subject of several studies which appeared in 1941 in the *Bulletin of the Health Organisation* and their consideration will probably have to be resumed under the pressure of circumstances.

In Latin America, the impulse given to research work on nutrition, as a result of the Conference of representatives of National Nutrition Committees in 1939 continues to make itself felt. Reports of the enquiries which have been conducted into the nutritional situation in various countries have brought to light deficiencies which require to be made good. A further meeting of representatives of National Committees would provide an opportunity for a collective study of measures that might be adopted for improving these inadequate dietaries.

As regards contagious diseases, there is no need to be a prophet to foresee that there will be a marked increase in their incidence in the post-war period. Perhaps, if pestilential diseases assume the same proportions as after the first world war, it may be advisable to revive the Epidemics Commission which, in 1921/22, succeeded in uniting and associating national efforts and created a chain of quarantine stations in Eastern Europe, thereby preventing smallpox, cholera and typhus from spreading westward. That would be a field of application for the recommendations of the Typhus Conference of 1937 and it would doubtless also provide an opportunity for conducting a vast comparative test of the different methods of anti-typhus vaccination which are now recommended, with a view to determining their respective value.

A considerable increase in the incidence of malaria must be expected, in Southern Europe and also in Africa and the Far East, owing to the movements of troops and of refugees and the consequent mingling of receptive individuals with those who are infected, and owing also to the way in which the war has interrupted antilarval work. In the campaign that will have to be waged against hyperendemic malaria, the Malaria Commission, which has earned for itself worldwide authority, must, once more, play its part as adviser to national health administrations. The question of quinine supplies cannot fail to arise and that, too, is a subject which the Commission has explored in all its aspects.

A serious increase in the incidence of tuberculosis as a result of the industrial effort called for by the war and of the food shortage can already be observed; this increase is bound to continue as long as the war lasts. It would be desirable for the Tuberculosis Commission to undertake a revision of the guiding principles enunciated in 1932 for the organisation of the campaign against tuberculosis, with due regard to new methods of treatment and, more particularly, of detection. These remarks apply equally, *mutatis mutandis*, to venereal diseases.

The Housing Commission might be required to undertake an immense task in the work of reconstruction. It should

see to it that the principles it has laid down—sanitary, technical and economic—are observed, whether the question be one of rebuilding what has been destroyed by war or of carrying out a new distribution of housing, industrial and agricultural zones.

In the East, the hostilities will inevitably be found to have produced unsanitary conditions that will be all the more serious because of the pestilential diseases of which that region is the breeding-ground. The Eastern Bureau of the Health Organisation should consequently not merely resume its work of supervision in the matter of epidemics, but should also intensify the work of international co-ordination in the medico-social sphere, the bases for which were laid down by the Conference on Rural Hygiene in 1937.

In short, side by side with the increase in the burden of the tasks which will confront health authorities in countries that have been affected directly or indirectly by the war, there should, as soon as the international situation permits, be a corresponding increase of activity on the part of the Health Organisation in all those fields in which its technical advice and its assistance as an instrument of co-ordination might prove to be useful.

2. CONTROL OF THE DRUG TRAFFIC

The activity of the League of Nations in regard to the control of the drug traffic has been maintained in its essential parts thanks to the fact that, on the whole, Governments have continued to fulfil their obligations under the Conventions, and the organs which form the international drug administration have accordingly been able to carry on their work.

At its twenty-fifth session (May 1940), the Advisory Committee on Traffic in Opium and Other Dangerous Drugs, having considered the possible repercussions of the international situation on the object of its work, pointed out, in a resolution submitted to the Council¹, that the war of 1914-

¹ See document C.125.M.114.1940.XI, page 3.

1918 had led to a very marked recrudescence of drug addiction and an immense extension of the illicit traffic due to the lack of national and international legislative measures and of adequate systems of supervision and suppression and that it was essential that Governments and international organs should take all possible steps to prevent an extension of drug addiction and a reversion to the conditions which existed during and after the last war.

The Committee's resolution was communicated to Governments. It is gratifying to note that, in spite of other pressing preoccupations, a large majority of Governments have readily responded and continued to furnish the information which is essential for the functioning of the international control.

No efforts are being spared to preserve the system of control of dangerous drugs, built up so laboriously in the last twenty-two years under the auspices of the League of Nations. It is in the common interest that drug addiction and illicit traffic should be combated and reduced to the lowest possible scale. This is particularly important during the present world-wide conflict. Wars create conditions favourable to the development of drug addiction, both through the suffering caused by war and through the fact that drugs are necessarily more extensively used and sometimes unavoidably come into the hands of persons who are not familiar with their dangers and do not realise the need for careful use and supervision.

The war itself has created a new situation and new problems. On the whole, the international illicit traffic has diminished because of the cessation or stricter control of international communications. Addicts and traffickers seek other sources of supply. Existing supplies for legitimate use must be carefully protected. There are great difficulties in obtaining both raw materials and the drugs which are required for legitimate needs. New sources of supply have to be sought and the trends of the international trade have, as a consequence, undergone very material changes. This means, in fact, that the drug trade no longer follows its normal well-regulated channels. In these circumstances also, the immediate situation requires continued vigilance and control, and

experience proves that this control is only possible on the basis of conventions and international co-operation.

Although it is not possible to make progress during the war, it is possible to plan for further progress. The settlement following the war will offer opportunity for improvement in the control of dangerous drugs, but only if the necessary preparatory work has been done.

* * *

The following is a short review of the activities of the League in the drug field during the past year. The existing international supervision is based on information supplied by Governments in regard to conditions in their territories. The exchange of information stipulated in the Convention has continued. Governments continue to transmit to the League annual reports on the traffic in opium and other dangerous drugs, reports on cases of seizures in the illicit traffic and texts of laws and regulations. All these documents are communicated by the Secretariat of the League to Governments and to the Opium Advisory Committee. The session of the Committee which was planned for May 1941 was postponed until further notice, partly on account of the international situation and partly because the changes which the drug trade had undergone were not at the time sufficiently developed or sufficiently known. It may be possible to convene a session of the Committee in the not-too-distant future.

Supervisory Body.

The Supervisory Body created by the 1931 Convention examines Government estimates of drug requirements, and its annual Statement containing these estimates is the basis on which the whole machinery of international control of the manufacture of and the trade in dangerous drugs now rests. The effectiveness of the Estimates System depends on its universality. That is why the Convention of 1931 placed upon the Supervisory Body the duty of establishing estimates itself for those countries and territories which fail

to furnish them. The continued functioning of the Supervisory Body is therefore essential if the national and international control of drugs is to be maintained. The following short survey of the Supervisory Body's work in regard to the estimates for 1941 and 1942 shows that it has, in fact, been possible to ensure the application of the system of estimates.

For the maintenance of the national and international control, easy communication with Governments is essential. To facilitate communication with non-European Governments, a branch office of the Supervisory Body was opened in Washington, D.C., in February 1941. Experience has proved that the existence of this branch office has facilitated the work of the Body. It is of interest to note, in regard to the estimates for 1942, that this is the first time since the coming into force of the 1931 Convention that estimates have been furnished by all sovereign countries in the Western Hemisphere.

I. • *Application of the Estimates System in 1941.*

1. Owing to delays in communications, at the time when the Supervisory Body's Statement of the *Estimated World Requirements of Dangerous Drugs in 1941* was sent to the printers (December 1940), annual estimates for 1941 had been received in respect of only ninety-six countries and territories. Before the close of the year 1941, however, further estimates were transmitted in respect of fifty-eight countries and territories, and the total number of estimates furnished for 1941 by Governments themselves rose to 154, or 88% of all the countries and territories—177 in number—covered by estimates shown in the Statement. For the remaining twenty-three countries and territories, the estimates framed by the Supervisory Body were in force during the year.

2. In addition to the annual estimates mentioned above, which came in late, thirty-five supplementary estimates were received and dealt with by the Supervisory Body in the course of 1941.

3. Five Supplements to the Statement for 1941, containing the late annual estimates and the supplementary estimates mentioned in 1 and 2 above, were issued and communicated

to Governments by the Secretariat of the League of Nations between June 25th and December 31st, 1941.

4. These Supplements to the Statement for 1941 modified as follows the original world totals for the five principal drugs published in the Statement for that year:

Drugs	World Totals of the Estimates		Increase Kg.
	As shown in the Statement for 1941 Kg.	As modified by supplementary estimates Kg.	
	Morphine	43,910	
Diacetylmorphine	814	1,053	239
Cocaine	4,641	6,294	1,653
Codeine	30,028	36,333	6,305
Dionine	2,891	3,630	739

5. Taking into account 177 estimates included in the Statement for 1941, fifty-eight late annual estimates and thirty-five supplementary estimates, the Supervisory Body dealt in all with 270 estimates for 1941.

II. *The Statement of the "Estimated World Requirements of Dangerous Drugs in 1942".¹*

1. Notwithstanding their growing preoccupation with the international situation as it developed in 1941, and in spite of the ever-extending war, the Governments have continued their efforts to collaborate closely with the Supervisory Body and to maintain the international control system as set up under the Conventions. Estimates in respect of forty-seven countries and thirty-four territories were received in time to be included in the Supervisory Body's Statement for 1942. A further thirty-six estimates (for seven countries and twenty-nine territories) were furnished after the Statement was sent to print. Thus, up to February 21st, 1942, Governments themselves submitted estimates in respect of 117 countries and territories, which represent 66% of all the countries and territories of the world.

2. The following table shows how countries, grouped by

¹ See document C.61.M.38.1941.XI (O.S.B./Statement 1942).

continents, fulfilled their obligation to furnish estimates in respect of 1942:

Continents	Estimates				Total
	Furnished by Governments		Established by the Supervisory Body		
	Countries	Territories	Countries	Territories	
Europe	19	2	13	—	34
America (North, Central and South)	23	12	—	10	45
Asia	7	13	1	11	32
Africa	3	27	3	17	50
Oceania	2	9	—	5	16
Total	54	63	17	43	177

3. The Statement for 1942 was communicated to Governments by the Secretariat of the League of Nations in December 1941.

Permanent Central Opium Board.

The Permanent Central Opium Board watches the international trade in narcotic drugs, on the basis of statistical information supplied by Governments. The work of the Board is summarised in its annual report to the Council of the League of Nations, issued in Geneva in December 1941, as follows:

“ When war broke out in the West, the Board issued a request to all Governments to send as usual estimates and statistics in accordance with their obligations under the Convention. The response was remarkable and has now been sustained through two years of war. The situation to-day is as follows. There has been one accession (Paraguay) to both Conventions; and no denunciation of either. The legal and administrative basis for the work—the Conventions, the Board itself, its small international staff—subsists; and the opening of a branch office of the Board at Washington has done something to overcome difficulty and delay in obtaining information from many Governments. The essential measures of control continue uninterrupted, although they are impaired by gaps, by the imperfection of data, and by the delay and dislocation

caused everywhere by war. The support of Governments has been widespread. For the year 1940, the Board received 163 estimates and fifty-five supplementary estimates which were passed to the Supervisory Body, and statistics of one kind or another, required by the Conventions, from fifty-seven metropolitan Governments or administrations, and in respect of eighty-nine colonies, territories, etc.

“ This encouraging result is, of course, largely due to the efforts of national controls, which prepare the estimates and statistics sent to the Board and have continued to function and to collaborate. The Board expresses its warm appreciation of these efforts and, at the same time, the hope that they will be redoubled. ”

For the year 1941, the Board received 154 estimates and thirty-five supplementary estimates, and these were passed to the Supervisory Body. It has, so far, received for that year quarterly export and import statistics, from forty-eight metropolitan Governments, and in respect of forty-one territories. More quarterly statistics for that year, delayed by slow and hazardous communications, are still to be expected. As regards the annual returns for 1941, which, according to the Conventions, are not due until several months after the end of the year, numerous Governments have already sent them.

3. SOCIAL QUESTIONS

Without touching on the great social problems which fall within the province of the International Labour Organisation, the League of Nations has, during the past twenty years— whilst maintaining, throughout, the necessary contacts with the International Labour Office—devoted part of its activities to a certain number of important “ social questions ” coming within its own competence. These questions concern chiefly the legal and moral protection of women and children and related problems. In this field, certain studies or enquiries, the programme for which had been drawn up by the Social Questions Committee, could not be pursued during the war, but an effort has been made to carry on, as far as possible, the work of collecting documentary material, with a view to its ultimate utilisation.

Publication of Annual Reports.

In regard to the traffic in women and children, ten countries transmitted to the Secretariat their annual reports for 1939/40, together with some forty reports concerning colonies, possessions, protectorates and other territories. As usual, the Secretariat prepared and published a summary of these reports (document C.35.M.32.1941.IV and Addendum).

It also published a summary of the annual reports which some half-dozen countries transmitted concerning the traffic in obscene publications. This summary comprises, in addition, an analysis of about forty reports relating to territories such as colonies, protectorates, etc. (document C.73.M.70.1941.IV).

The former of these publications records the accession of Turkey to the International Convention for the Suppression of the Traffic in Women of Full Age; the second mentions the registration of the accession of Morocco to the Convention for the Suppression of the Circulation of and Traffic in Obscene Publications.

Further, the Secretariat received, in 1940 and 1941, reports from ten countries concerning the progress achieved in the matter of child welfare from the legislative and administrative standpoints. The summary of these reports, which was prepared by the Secretariat, was recently published (document C.15.M.15.1942.IV).

A further volume, which was issued last year, summarises the texts published during 1940 by the Child Welfare Information Centre, in its Legislative and Administrative Series (document C.89.M.86.1941.IV).

Special attention must be drawn to the fact that it is important that countries should transmit regularly to the Secretariat their reports on these various questions, the consideration of which, after the war, will be facilitated if it is possible to collect at the present time a wide range of information concerning recent developments.

Maintenance of the Child Welfare Information Centre.

The work of the Information Centre which was created at the Secretariat was not interrupted after the lamented death

of Mlle. Andrée Colin, who had for years devoted all her energies to the establishment and development of this Centre. It continues to collect and communicate information concerning provisions of a legislative and administrative character adopted in various countries with a view to promoting child welfare.

In this connection, it should also be noted that, as far as possible, the Secretariat endeavours to furnish information requested by Governments and private organisations.

Questions in Suspense and Post-war Situation.

The consideration of questions concerning the legal and moral protection of women and children must necessarily be taken up again after the war. The latter will certainly prove to have rendered more acute those problems which, before 1939, were the subject of concern to the Social Questions Committee and all the organisations that collaborated with it.

It is obvious, for instance, that the problem of prostitution, in its many aspects (preventive action, traffic in women, regulation, rehabilitation of prostitutes, measures against venereal diseases, etc.) will have become more serious as a result of the destitution to which an enormous number of women and children will have been reduced.

The splitting-up of families, not only through the increase in prostitution but also from many other causes, such as the disappearance of parents and the removal of children from one region to another, with or without their parents, will also have increased in alarming proportions the number of children and young persons in moral danger.

It may be anticipated that, in order to meet this situation, many countries will wish to take active measures and will, in particular, develop their social administrations or social services, or establish new ones. It is probable that these countries will not merely desire to obtain information concerning the organisation of social administrations and services in other countries, but will also attach importance to the advantages that would follow from an international enquiry into the different aspects of the problem.

Most of the questions which have just been mentioned have

already, in one form or another, figured in the past in the programme of work which the competent organs of the League of Nations have undertaken with the collaboration of Governments and of various experts. Some parts of this work had, in 1939, reached a very advanced stage. The final report concerning "preventive action against prostitution", for instance, was ready for printing; it could be published as soon as the necessary funds become available.

The Social Questions Committee had, further, expressed the wish that, in conjunction with the Health Committee, a thorough study should be made of the social and medical aspects of venereal disease.

It may also be recalled that a draft convention for the "suppression of the exploitation of the prostitution of others" had been drawn up but, owing to the situation in certain countries with regard to this problem, the convening of a conference for the adoption of this convention seemed premature. This question is, however, of such importance that it will, it would seem, have to be examined afresh.

The same is true of the "social position of the unmarried mother and her child". Good progress was being made with the work on this question on the eve of the war and the publication of a report was contemplated. The first part of this report, devoted to the "legal position", had been completed, whilst the second part, consisting of a study of the "social aspects", followed by conclusions and recommendations, had reached a fairly advanced stage. On the other hand, only preliminary work had been undertaken on other questions—*e.g.*, those relating to the "principles adopted in the organisation and administration of welfare work among the young" and the "training of persons engaged in social work".

It should, however, be pointed out that, after the war, these problems may arise in conditions which are so changed that the measures taken and the recommendations adopted even in a recent past may no longer meet the exigencies of the situation. Should that prove to be the case, they will have to be re-examined with a view to making any necessary modifications in the earlier conclusions and, possibly, giving them a wider scope.

New Problems.

Finally, it is by no means impossible that, when work in common on the international plane can be resumed, it may be found that the events and ideas which, from the spiritual no less than, from the material standpoint, are at present causing an upheaval in the world have created situations and given rise to problems of no less urgent a character than those to which reference has been made above. I am thinking, for instance, of problems connected with the training of young persons, the social, moral, cultural, health and other aspects of which might with advantage be the subject of study. The time has not yet come for defining more precisely the work that might be undertaken; but, having regard to the manner in which and the extent to which present circumstances are affecting the existence of the family, of children and of young people, it must be anticipated that urgent questions will have to be faced and that their examination by international organs, and the results of such examination, may be of great importance for the future of the human community.

4. INTELLECTUAL CO-OPERATION AND INTERNATIONAL BUREAUX

The activity of the various organs of *Intellectual Co-operation* has also, to a large extent, been interrupted by events. The Executive Committee of the International Committee on Intellectual Co-operation has not met since December 1939 and the International Institute of Intellectual Co-operation in Paris ceased functioning in June 1940.

It has, however, been possible for intellectual co-operation to continue in America, and the National Committees of that continent held their Second Conference at Havana in November 1941. The programme covered the following points:

- (1) Examination and statement of the basic principles upon which the existence of intellectual co-operation depends;
- (2) Improvement of copyright regulations;
- (3) Removal of obstacles to cultural and intellectual exchange, including high duties on books, Customs formalities, cost of travel, excessive postage rates;

- (4) Consideration of means for developing inter-American cultural relations through exchange of professors, students, experts, motion pictures, radio broadcasts, music, art, theatre, and publications of all kinds;
- (5) Consideration of the means that should be adopted for facilitating and co-ordinating relations between the American Committees on Intellectual Co-operation;
- (6) Consideration of the measures taken or which may be taken in fulfilment of resolutions and recommendations on intellectual co-operation approved by the International Conferences of American States, the First Conference of American National Committees on Intellectual Co-operation, and the Pan-American Union.

In the intellectual sphere, as in the economic sphere, the war is extending its ravages. It is destroying men and their work. At the end of the conflict, the world will have less artists, less scientists, less technical experts. Not only have many of those whose work was still unfinished disappeared prematurely but also, in many cases, total warfare, with its methods and its consequences, has led to the death or dispersal of their pupils. Furthermore, in some countries, the most precious artistic treasures—like the organisations built up by the efforts and the thrift of many generations, the public buildings, museums, artistic and scientific collections, libraries, laboratories, schools and universities—have been ravaged or destroyed. This will make it more difficult for the artist, the scientist and the student to resume their work.

The Intellectual Co-operation Organisation created under the auspices of the League of Nations might be expected to facilitate such a resumption. The National Committees, as has just been seen, are still functioning in America and are continuing their collaboration there, and it may be possible to reconstitute them also in the countries of other continents. Contacts between these Committees may be re-established; some collections of books, publications and scientific instruments which have been destroyed may, in a certain measure, be reconstituted by exchanges or gifts; relations between universities and museums and also between men—scientists, artists, students—may be resumed through those organs which facilitated international co-operation during the period between the two world wars.

If the difficulties encountered in re-establishing intellectual relations after 1918 are recalled, it will be seen that, in the work of reconstruction, which must follow the present war, the world cannot afford to neglect the teaching of twenty years of experience or the fruits of the efforts of men of goodwill who, in ever-increasing numbers and in all parts of the world, gave the League of Nations their collaboration in the organisation of intellectual co-operation.

As regards *International Bureaux*, the Secretariat continues to receive and collect information concerning their activities which, in many cases, it has proved possible to continue during the war.

5. INTERNATIONAL ASSISTANCE TO REFUGEES

International assistance to refugees is being continued on the lines laid down in the Assembly resolution of September 1938. In his report for 1941, the League of Nations High Commissioner points out that, whilst his task has been rendered increasingly difficult by the extension of hostilities, it has also become more and more clearly indispensable. The tragic situation of thousands of refugees assembled in certain regions, interned in camps, or scattered in emigration ports, has been improved as far as possible, thanks, in particular, to the invaluable co-operation of the private organisations, though these have been forced, in many cases, to reduce their activities.

Possibilities for emigration are also growing less day by day. A certain number of refugees, chiefly Jews from Germany, have found shelter in America. On the other hand, as is generally known, apart from Palestine, the only country for which it had been possible before the war to consider a definite plan for colonisation and emigration was the Dominican Republic. In his report for 1941, the League of Nations High Commissioner writes:

“The Dominican Republic Settlement Association has devoted much thought and care to the settlement and has done a good deal of preliminary work in regard to the breaking-up of land, the erection of farm

and other buildings, the introduction of new crops, and the physical health of the settlers. The ultimate success of the settlement will probably depend on the ability of the Association to find the necessary capital to cover the heavy expenditure during the early years until new crops are produced on a commercial basis."

The legal protection of refugees, one of the High Commissioner's chief tasks, meets with as many difficulties as their emigration. Nevertheless, the framework of an international organisation subsists. After the Evian Conference, convened on the initiative of President Roosevelt in July 1938, an Inter-governmental Committee was set up, and of this Sir Herbert Emerson, League of Nations High Commissioner, is honorary director. Better collaboration with the American countries has thus been rendered possible. If States so desire, they will be able to adapt the existing organisation to the needs of the post-war situation.

It is perhaps not premature to attempt even now to gather some idea of what that situation will be, and of the magnitude of the problems by which Governments will be faced.

As a result of the war, and of the removals, voluntary or enforced, of populations to which it has given rise, the number of foreigners within the territory of most States will have considerably increased at the time when peace is restored.

Amongst these foreigners, many will wish to return at once to their own countries and, in a large number of cases, it may be possible for them to be repatriated without undue delay. I am thinking, in particular, of prisoners of war, civilian prisoners, foreign workers who have been recruited or deported to work in industry or agriculture, and of those who have emigrated in order to escape from war-zones. Most of these will, no doubt, be able to return to their own countries by their own means, or as the result of arrangements made by the Governments concerned. The experience of the last war showed, however, that, in many cases, these arrangements are not sufficient. In some regions, prisoners of war and civilians of various nationalities may, several months after the end of hostilities, still be found in camps or be wandering about in search of means for repatriation. More than a year after the armistice of November 1918, half-a-million prisoners

were still waiting, in Europe and Asia, to be taken back to their countries. It was at that moment that Nansen was entrusted by the Council of the League of Nations with the work of repatriating them. He had, says the report adopted by the third Assembly, "to improvise" everything; he succeeded in finding vessels, at the time when the transport crisis was at its height and, though the funds at his disposal were inadequate, he managed to evoke so much good-will and to organise co-operation on such a scale that he was not held up by the lack of money. A month after his appointment, transports were beginning to move; but it took him nearly two years to complete his task. It is to be hoped that the lessons to be learned from this experience will not be lost. It will perhaps not be easy to find another Nansen, but, by preparatory work, it may be possible to save the man or men to whom a similar mission is entrusted from having "to improvise" everything.

Apart from prisoners and persons who will wish to be repatriated and who can be repatriated, there will, as after the last war, be those who are compelled by the political or social situation of their country to remain in an exile that may for some of them be voluntary, but will for many others be enforced, if they have been driven out by political, religious or racial persecution and even, in some cases, deprived of their nationality. It may be anticipated that the number of such refugees will not decrease during the next few years, for, although in some countries changes of régime may favour the return of certain categories of emigrants, those very changes may also lead to the exodus of other nationals of the same countries. The experience of the past twenty years proves that the refugee problem is so grave for States and so distressing for the human conscience that it will not in future be possible to solve it by merely reverting to the methods that were traditional before 1914. It will no longer be possible to rely solely on the charitable organisations for the provision of relief for the victims of wars or revolutions; nor will those wide openings that were for so long offered by certain emigration countries be available for the absorption of the masses of men seeking a land of refuge.

The work accomplished by the League of Nations or under its auspices should enable the refugee problem to be solved after the second world war in a better way than was possible after the first. It will be recalled that it was only in 1921 that a proposal by the International Red Cross Committee concerning assistance for Russian refugees was laid before the Council of the League of Nations. There were then some two million persons on the territory of countries in which it was often impossible for them to find employment and which they could not leave as they had no recognised legal status. Nansen accepted the new mission that was offered to him—namely, that of co-ordinating the action of Governments and private organisations in favour of these refugees, whose numbers were seen increased by the addition of 300,000 Armenians. It is well known that, over a period of years and with the co-operation of the International Labour Organisation, efforts were made with the object of finding places for these refugees either in the countries in which they happened to be or in other countries where they could be received more easily. The problem of the legal status of refugees also, it will be remembered, was gradually solved as a result of the recommendations adopted, from 1922 onwards, by various inter-governmental conferences, and through the International Convention of 1933. The experience acquired in regard to international protection in favour of the Russian and Armenian refugees was utilised when, in 1933 and subsequent years, the measures enforced in Germany against Jews or persons of Jewish descent led to a further exodus of populations.

There is, finally, still one more experience which may perhaps prove to be of value during the coming years. It is sometimes suggested that, in order to lessen causes of friction between certain European countries, it might be desirable to contemplate exchanges of populations when peace is restored. Through this procedure, which has, in fact, been resorted to recently, some of those minority problems which have embittered the relations between certain States during past years might, it is said, be rendered less troublesome or even be completely solved.

Such exchanges, however, if it is decided to undertake them,

must be carried out so as to leave as little bitterness as possible between the countries concerned—that is to say, they must, in the first place, cause the minimum of suffering and regret in the case of the populations transferred. The part played by the League of Nations in 1923 and the following years resulted, as is well known, in mitigating the consequences of the exchange, agreed upon between Greece and Turkey, of nearly two millions of their nationals. The grave problems to which the arrival of a million and a-half refugees from Asia Minor gave rise in Greece, impoverished by years of war, were solved largely through the assistance of all kinds furnished by the League of Nations or under its auspices—the organisation of emergency relief in the form of foodstuffs and medical supplies, the vaccination campaign, the drawing-up of a programme for the settlement of the refugees and the launching of an international loan for the execution of that programme. The success of this work certainly contributed towards facilitating the good relations which were subsequently established between Greece and Turkey.

Though the magnitude and, in some cases, the nature of post-war problems cannot as yet be accurately foreseen, it may nevertheless be useful to pass in review even now those problems which arose after 1918, to study the methods adopted for their solution and also to follow closely those developments which are at present taking place in regard to the various aspects of the refugee question.

6. SETTLEMENT OF THE ASSYRIANS OF IRAQ

Work in connection with the settlement in Syria of the Assyrians of Iraq had been pursued over a period of years and, notwithstanding the course taken by events, it was possible to complete this work in December 1941, on the expiration of the transition period during which, as arranged, certain supervision continued to be exercised by the Trustee Board.

The history of this settlement provides an example of the difficulties that have been encountered in every effort for the

permanent establishment of refugees. It shows too that, in this case, means were found for overcoming those difficulties through a persevering international effort backed by the collaboration of the country which agreed to receive the refugees into its territory.

These Assyrians, nearly all of them Christians, formed part of the Assyrian population which had taken refuge in Iraq during the upheavals the first world war occasioned in the Near East. They began to make efforts to leave Iraq in 1933, when the United Kingdom relinquished its mandate over that country. Their first attempt at emigration gave rise to incidents on the frontier between Iraq and Syria. Finally, the French authorities allowed the Assyrian refugees to enter the territory of Syria, but they admitted them only temporarily and quartered them in encampments in the valley of the Khabur, whilst the Council of the League of Nations was endeavouring to find a State or a colony where they could settle in a permanent manner. These efforts having failed, the French Government agreed, in 1935, to create a permanent settlement for the Assyrian refugees in the plain of the Ghab, with the financial participation of the States of the Levant under French mandate, the United Kingdom and Iraq. The Assembly of the League of Nations then voted a special contribution for the purpose of assisting in carrying out this plan, a thing which it had never done previously for any specific work of settlement. In 1936, the plan was abandoned, as the French Government had pointed out that it was preparing to emancipate the States of the Levant from the mandate and that, in consequence, there were difficulties of a political nature which stood in the way of the settlement of the refugees in the plain of the Ghab. In 1937, finally, it was decided to convert the temporary settlement in the valley of the Khabur into a permanent colony, with the financial participation of the United Kingdom, Iraq and the League of Nations. The execution of the plan was placed in the hands of the Trustee Board, an autonomous organisation which had been given legal status and was co-operating with the French mandatory authorities at Beirut. The functions of this Board ceased finally in January 1942, the set-

tlement plan having, at that date, been completely carried out.

This gives some idea of the difficulties that had to be overcome in order to bring about the settlement of a few thousand refugees belonging, it is true, to a population group which had practically no connection and no affinity with any other people. In their favour there was, however, the fact that the United Kingdom felt a certain responsibility towards a minority of which it had assumed the charge when it was exercising its mandate in Iraq. The latter country also desired to help to find a permanent settlement elsewhere for those members of this minority who wished to leave its territory. France, the mandatory Power in Syria—notwithstanding the difficulties that were entailed for her by an immigration she did not desire—and the other Members of the League of Nations, prompted, as was France, by feelings of humanity, associated their efforts with those of the United Kingdom and of Iraq in order to find a satisfactory solution.

At the present time, whilst some 20,000 Assyrians have remained in the north of Iraq, where they form a Christian minority, the 9,000 or so who emigrated to Syria have acquired Syrian nationality.

Before that nationality was granted to them, they were settled on a permanent basis, thanks to the financial aid provided for in the settlement plan. They have, in fact, been given land, agricultural equipment, and live-stock in so far as what they had brought with them from Iraq was insufficient. They have been divided amongst thirty-three villages, forming an administrative unit, nearly every one of which has its own church (twenty-seven Nestorian churches and four Catholic churches). The settlement has, in addition, been provided with sixteen schools and also, from the outset, a hospital, as a result of which it has been possible to improve the health situation and, in particular, to combat malaria. The progress of the colony is evidenced by the fact that the area sown with crops amounted to nearly 5,000 hectares in 1940/41. As to the extent of pasturage available for the settlement, it is practically unlimited.

The total amount of the expenditure incurred for the settlement of these refugees will be communicated to the Members of the League as soon as the Secretariat receives the final report of the Trustee Board.

III. QUESTIONS OF A LEGAL AND ADMINISTRATIVE CHARACTER

1. REGISTRATION OF TREATIES AND LEGAL WORK

I. *Registration and Publication of Treaties.*

During 1941, fifty-four new treaties were sent to the Secretariat by Governments for the purpose of registration. These treaties are mentioned in the *Monthly List of Treaties registered*, which has been regularly published.

The Secretariat has also recorded further particulars concerning conventions already registered.

As regards the publication of the actual texts of the treaties registered, with the English or French translation of treaties the original of which is not in one of those languages, one volume of the *Treaty Series*, Volume CXCIX (containing Treaties Nos. 4660 to 4685) appeared during the course of 1941.

It is anticipated that the publication of the *Treaty Series*, which was retarded in 1941 by administrative and financial difficulties, will be pursued more rapidly in 1942. A further volume of the series, Volume CC, has already appeared—in May 1942.

Communication of Ratifications and Accessions. — Governments have continued to communicate to the Secretariat ratifications and accessions in respect of treaties concluded under the auspices of the League of Nations, including Labour Conventions. These ratifications and accessions have, in each case, been notified to all Governments.

II. *Legal Studies.*

* During 1942, the Rome International Institute for the Unification of Private Law completed its general study on the *Legal Status of Women in Private Law*. This study was to have been submitted to the Committee of Experts appointed for the purpose of conducting a comprehensive enquiry into the legal status of women. As a result of circumstances, however, no meeting of this Committee at an early date can be foreseen. The Secretary-General of the International Institute for the Unification of Private Law has informed the Secretariat of the League of Nations that he intends himself to publish, on his own responsibility, the study prepared by the Institute.

III. *Dispute between the League of Nations and Former Officials of the Saar Territory.*

The Council of the League of Nations decided, on December 14th, 1939, to request the Permanent Court of International Justice for an opinion on the question whether the League of Nations had any legal obligations towards former officials of the Saar Territory who complain that they have not received the pensions to which they claim to be entitled.

Between October 31st, 1940, and September 18th, 1941, the complainants and the Secretariat of the League of Nations exchanged the memoranda referred to in the Council resolution. This matter, which raises general questions relating to possible obligations of the League of Nations, has thus reached a stage at which it is ready for examination by the Court.

2. PROTECTION OF MINORITIES

After the first world war, the authors of the peace treaties were guided by what they considered to be an established tradition, in accordance with European public law. In con-

nection with the territorial changes in Central and Eastern Europe, they introduced in a number of countries a new form of international protection of minorities. The Assembly, further, extended this protection to other countries in Eastern Europe at the time of their admission to membership of the League of Nations or following upon that admission.

This protection has been interrupted by the war. This is not the place to attempt once more to assess the value of what the League of Nations has done in this field¹. The protection of minorities may have had a preventive value. It prevented discriminatory measures against persons belonging to minority groups and also, during the years immediately following its introduction, it prevented conflicts for which the more or less equitable treatment of a minority might have furnished a cause or a pretext. This protection was, however, in some cases, regarded as an onerous burden by the States which had agreed to it and they brought against it the objection that it constituted an exceptional régime. Further, some defenders of the rights of minorities have criticised the procedure and the decisions of the Council and have blamed them as being, in general, ineffective.

During the crisis which preceded the opening of the present hostilities in Europe, certain minority questions were withdrawn from the system of protection instituted after the first world war. They then once more became the subject of negotiations, agreements between Powers, diplomatic representations and, finally, conflicts—which is exactly what the system was devised by its authors to prevent.

Whatever may be the political configuration of Europe after the war, minority problems, unless they are solved with wisdom, will constitute a danger to established order. Oppression does not quench but keeps alive national feeling. Moreover, even if the system of exchanges of populations were ruthlessly extended in its application, it could neither be expected to facilitate *rapprochement* between nations in all

¹ This work was quite recently the subject, *inter alia*, of an article commenting on the second point of the Pope's Christmas Message of 1941 and entitled "The Protection of Minorities" (*Osservatore Romano*, January 11th, 1942).

cases nor to eliminate all minority problems; some groups will remain minorities of race, religion or language, whatever be the country in which they are incorporated. It may be thought, on the other hand, that, within the framework of a more or less comprehensive confederation of States, minority questions, like other political or economic questions, might become less acute as a result of the lowering of frontier barriers and the development of the spirit of collaboration.

Co-operation between nations after the war will be either facilitated or impeded by the treatment accorded to minorities in specific cases.

3. MANDATES

The Secretariat has continued to keep up to date all available documentary material from official and unofficial sources concerning the territories under mandate—*e.g.*, official gazettes, statistics, trade reports, etc. A number of documents, including the annual reports on the administration of certain territories, have been received from the mandatory Powers and communicated to the Mandates Commission.

While it is obviously too early to foresee the repercussions of the present conflict both upon the social, economic and political conditions of the native populations and the future of the mandates system, it may be said without exaggeration that the system based on Article 22 of the Covenant proved to be of moral and practical value. The consideration of the social, material and moral welfare of the natives as the primary object of colonial administration; the custodianship of peoples "not yet able to stand by themselves" with a view to teaching them gradually to assume greater responsibilities for their own affairs and thus leading them, in many cases, towards eventual self-government: these are fundamental principles which can hardly fail to be taken into account in any future study of colonial problems. Also, the collective supervision by an international body of the faithful observance of such principles has offered serious advantages, though the opinion has been expressed in some quarters that the supervision

might perhaps be made still more effective and more independent of national control.

The application of the principle of economic equality to the mandated territories, subject to the paramount claims of native economic welfare, constitutes also a noteworthy experiment, which may be of value for the solution of the much-discussed problem of giving all nations equal access to markets and raw materials.

4. SLAVERY

The Secretariat has continued to receive communications from Governmental sources concerning this question. These communications are being added to the documentary material already submitted to the Advisory Committee of Experts on Slavery. No resumption of the work of this Committee is expected as long as the present situation continues.

The last report of the Committee, submitted in April 1938, gave an encouraging picture of the progress made during recent years in the gradual abolition of the institutions and customs mentioned in Article 1¹ of the Slavery Convention of 1926. When the time comes for the Advisory Committee to resume its work and to complete the task undertaken by the League in this field, the Committee may be called upon, in the first place to examine what repercussions the present conflict has had on the social system of the populations concerned and to study the means of eradicating the last remnants of slavery and of the customs and social conditions related to slavery.

¹ For the purpose of the Convention, the following definitions are agreed upon:

"1. Slavery is the status or condition of a person over whom any or all of the powers attaching to the right of ownership are exercised.

"2. The slave trade includes all acts involved in the capture, acquisition or disposal of a person with intent to reduce him to slavery; all acts involved in the acquisition of a slave with a view to selling or exchanging him; all acts of disposal by sale or exchange of a slave acquired with a view to being sold or exchanged; and, in general, every act of trade or transport in slaves."

5. THE LEAGUE BUDGET

Financial resources constitute one of the main elements in the maintenance of the life of the various international organisations and are a chief factor in determining the scope of their activities. The Supervisory Commission, in spite of the difficulties of the times, has kept itself fully informed, has maintained complete control and has, in addition, discharged the much weightier responsibilities which the Assembly decided it should undertake in the event of a crisis such as has occurred. It has met regularly and, while supervising the heavy task of reducing the League budget by almost two-thirds, it has at the same time provided for the continued existence of each of the institutions. It will be realised that the problems which it had to face, and which the various administrations had to face, were even more difficult than those of normal times.

It may be recalled that the budgetary retrenchments initiated in 1938 had not only to be continued in the following years, but had to be applied, especially in the years 1940 and 1941, to an extent which profoundly affected the functioning and structure of the various League organisations. The League budget (which makes provision for the International Labour Organisation, the Permanent Court of International Justice, the Secretariat and special organisations) had necessarily to be adapted to the situation, which deteriorated rapidly. Expenditure, even though voted, had to be curtailed to enable the organisations to live as far as possible within their income, and this, owing to the difficulties in which the various States found themselves, continued to diminish.

	Swiss francs
Whereas the budget for 1939 still amounted to	32,234,012
it was reduced in 1940 to	21,451,408
in 1941 to	10,659,711
and in 1942 to	9,647,462.

As compared with 1939, this represents a reduction of

33.45% in 1940,
66.93% in 1941, and
70.07% in 1942.

Receipts, which in 1939 amounted to 82.14% of the budget, fell in 1941 to 65.96% of the budget.

As regards expenditure, the downward movement was not as rapid as that of income. Heavy legal obligations, in the first place towards the staff, prevented its full adaptation to income. Moreover, such an adaptation would have meant curtailing to a great extent activities which it is in the interest of States to maintain, even though on a reduced scale. The Supervisory Commission stated, in this connection, in its report on the budget for 1941:

“The Commission feels that, after these large reductions in successive years, the budget of the League has now been reduced virtually to the minimum consistent with the effective functioning of the League even on a reduced scale of activities and it considers that any further material reduction in expenditure would endanger the maintenance of the institution.”

The number of States participating in the allocation of expenses, and consequently the total number of units allocated to the States, have continued to decline since 1939, as is shown in the following table:

Year	Number of States Members	Total number of units
1939	54	917.15
1940	51	817.45
1941	48	522.56
1942	45	472.94

It was nevertheless possible to reduce the value of a unit (thereby lessening the burden falling on each individual State) from

31,479.70 Swiss francs in 1939 to
26,241.75 „ „ „ 1940, and to
20,398.95 „ „ „ 1941 and 1942.

The distribution of contributions among the various organisations of the League has also been modified since 1940, as appears from the following table:

	1940 ^a	1941	1942
	(Percentage of the budget)		
I. Secretariat	50.21	34.99	35.73
II. International Labour Organisation	29.61	30.52	32.85
III. Permanent Court of International Justice.	11.11	4.69	5.18
IV. Special Organisations, pensions, etc.	9.07	29.80	26.24
	100.00	100.00	100.00

The auditing of the accounts of the institutions has been regularly carried out by the Auditor appointed by the Assembly, and his reports have been presented to the Supervisory Commission.

6. THE LEAGUE BUILDINGS

The necessity for reducing expenditure all round has created for the Administration of the Secretariat new and complex problems as regards the upkeep of the League buildings. It was obvious that the programme of upkeep would have to be limited to repairs indispensable for the prevention of damage or necessary for the conservation of the property.

The League buildings (Ariana) cover an area of 17,635 square metres. Their cubic content is 440,000 cubic metres. The park surrounding the buildings is a little over 231,000 square metres.

The total cost of the buildings (without installations and equipment) has been 31,373,000 Swiss francs, while the technical installations, Library books, furniture, etc., bring the total to 38,156,000 Swiss francs. To this figure must be added the value of paintings, frescoes, works of art, carpets, furniture, etc., all gifts from Governments, which have been insured for the sum of 717,000 Swiss francs.

The preservation of all this valuable property has entailed unremitting care and the solution of many wartime problems.

7. THE REDUCTION IN THE STAFF OF THE SECRETARIAT

The diminution in the activity of the League of Nations in certain fields led, as early as 1939, to a corresponding reduction in its staff. The outbreak of hostilities in Europe at the end of August of the same year made additional retrenchments necessary, so as to reduce expenditure still further in accordance with the desire of States Members. In May 1940, the invasion of Denmark, Norway, the Netherlands, Belgium and France, and the effects produced by the invasion, created a situation to which it was necessary for the Secretariat to adapt itself immediately. Between May 1st and August 1st, the number of its officials was reduced from 423 to 208. The Administration has constantly endeavoured to achieve all the economies that could be effected in order to reduce the contributions of States Members, whilst ensuring the maintenance of vital or useful services and of the Secretariat itself, as an international institution which had, as far as possible, to be protected from the effects of the confusion which then reigned in Europe.

It may be thought that the reductions in staff and the economies effected were even unduly great in view of the duties for the discharge of which the Secretariat continues to be responsible apart from those it may be asked to assume in the future. On April 15th, 1942, there remained in the Secretariat 82 officials occupying posts provided for in the budget, 32 of them belonging to the first division, 14 being ex-officials re-engaged temporarily, 5 officials in Branch Offices, 2 officials of the Pensions Fund and 4 officials of the Permanent Central Opium Board, to whom there should be added a few persons whose salaries are paid from grants of the Rockefeller Foundation.

This small staff is fully occupied, many of its members having to discharge the duties of two or three posts. It can be increased to the extent to which it proves possible to obtain financial means in view of preparations for post-war reconstruction.

Budgetary Results of the Reduction in the Staff.

The successive retrenchments which have taken place since the outbreak of hostilities have been reflected in a considerable reduction in the expenditure on the salaries of the Secretariat of the League of Nations.

This reduction was still further accentuated by reason of the fact that the members of the staff agreed to make a voluntary contribution from their salaries as from January 1st, 1940. The contribution is progressive in character; the lowest salaries are exempt, whilst in the case of the highest salaries it amounts to as much as about 25% of the gross salary.

The following table shows the downward movement of the salaries item of the budget of the Secretariat:

Year	Budget Swiss francs
1939	9,667,822
1940	6,706,179
1941	1,847,341
1942	1,656,893

The termination of the contracts of more than 600 persons —i.e. more than four-fifths of the staff still in service on September 1st, 1939—involves the payment, in accordance with the rules laid down by the Assembly, of the compensation that was legally due on the basis of the contracts. These compensation payments may be classified as follows:

		Swiss francs
One year's salary	310 cases	3,599,779.85
Six months' salary	36 cases	137,829.90
Other compensation pay- ments	104 cases	266,717.40
<i>I.e., in all</i>	450 cases	4,004,327.15

The resolution of the Assembly which provided for the payment of this compensation in several annual instalments made it possible to spread this charge, which represents a

considerable burden on the budget, over five financial periods — 1939, 1940, 1941, 1942, 1943.

8. RADIO-NATIONS

In pursuance of a resolution adopted by the Assembly on September 24th, 1929, a radio-telegraphic station for the service of the League of Nations was officially put into operation on February 2nd, 1932. This station was not operated directly by the League of Nations itself, but by the Radio-Suisse Company. This arrangement was instituted for a period of ten years, as from the date of the opening of the station, by an Agreement with the Swiss Federal Council and a Convention with Radio-Suisse, both these instruments being signed on May 21st, 1930 (see documents C.191.M.91.1930.VIII and C.192.M.92.1930.VIII).

The Agreement with the Federal Council gave rise to no observations. The League of Nations considered, however, that, so far as it was concerned, the Convention concluded with Radio-Suisse was onerous. Accordingly, on November 3rd, 1938¹, the Secretary-General approached the Federal Council with a view to obtaining a revision of the Convention. The Federal Council agreed to the suggestion of a revision, but at the same time requested, in its letter dated February 13th, 1939¹, that the Agreement also should be revised. In this connection, the Swiss Federal Political Department, in its letter dated January 27th, 1940², informed the Secretary-General of the Federal Council's decision to denounce the Agreement of May 21st, 1930, with effect as from the expiration of the ten-year period—i.e., as from February 2nd, 1942. This denunciation automatically involved the cancellation of the Convention concluded on the same date between the Secretary-General and Radio-Suisse. At the same time, the Federal Political Department stated that the Swiss Government was prepared to consider the possibility of establishing new arrangements concerning the Radio-Nations station.

¹ For the text of this letter, see document A.29.1939.

² For the text of this letter, see document C.56.M.53.1941.

Considering that, in the absence of the Assembly and the Council, I was not empowered to discuss the bases of a new agreement with the Federal Council, and pointing out, further, that circumstances did not seem to be particularly favourable for such a discussion, in agreement with the Supervisory Commission, I proposed to the Swiss Government, on June 14th, 1941¹, that the Agreement of 1930 should be allowed to continue in force for a period of one or two years. In its reply, dated July 8th, 1941², the Federal Political Department informed me that the Federal Council was not in a position to accede to this request and, further, that it found itself compelled to consider as lapsed the offer to enter into negotiations in regard to a new agreement. In these circumstances, the operation of the Radio-Nations station had to cease finally on February 2nd, 1942.

In accordance with Article 26 of the Convention, after consulting the Chairman and Rapporteur of the Supervisory Commission, I informed Radio-Suisse that the League of Nations waived its right to resume possession of the installations, which consequently became the property of Radio-Suisse, the latter having to pay the League of Nations their marketable value. The purchase price was fixed by the Committee of Experts provided for in the Convention².

The Radio-Nations Wireless Station consequently ceased to operate as a League of Nations station on February 1st, 1942, at midnight.

¹ For the text of this letter, see document C.56.M.53.1941.

² For the text of the report by the Committee of Experts, see document C.11.M.11.1942.

IV. LIBRARY

The heavy reduction in staff and in purchasing funds made it necessary for the Library to concentrate on what seemed essential—*i.e.*, the keeping up to date of collections of material and of those periodicals which later on might be very difficult to obtain. The statistics given below show that good results have been achieved; the collections have been enlarged by material which—as is already clear from various enquiries—is possessed by very few other institutions. The Library will consequently be able, on the return of normal conditions, to offer unique working facilities in certain fields, thereby realising the expectations both of the Assembly and of Mr. John D. Rockefeller, Jr., whose generous gift permitted the building of the Library and has greatly helped in its development.

1. Collections.

Books and periodicals: 5,384 additional volumes (2,250 in 1940), 5,190 of which (1,800 in 1940) were gifts or exchanges, were catalogued in 1941. 937 periodicals (750 in 1940) from all parts of the world are received regularly, 718 of which (497 in 1940) are gifts or are in exchange for League of Nations publications.

This marked increase (notwithstanding the reduction in purchases and subscriptions) is the result of a persistent development of exchange relations. Many periodicals are also sent to the Library with a view to their contents being mentioned in its *Monthly List of Selected Articles*.

Government documents: 2,638 volumes were added to this collection in 1941 (2,193 in 1940); the Library receives regularly

430 periodical Governmental publications (418 in 1940) and 116 official gazettes (134 in 1940).

The total number of volumes in the Library at the end of 1941 was about 312,000 (302,000 at the end of 1940).

The fact that it was, for the first time, impossible to keep the book stacks at a normal temperature during the winter has not done any harm to the collections, thanks to the combined system adopted for airing and for closely supervising dampness.

In general, publications continue to be received regularly from all countries with which Switzerland maintains postal relations. In spite of delays in communication, no serious gaps have occurred in the period under review. In cases where the transmission of certain publications to Geneva has proved to be impossible, they have been deposited with institutions in the respective countries. The Library has, for instance, at present such deposits in the United States, Canada and Latin-American countries.

The concentration of the services of the Library has made possible the reorganisation of its exchanges and certain improvements in the arrangement of its collections, so as to compensate somewhat for the inevitable restriction in incoming material. Through lack of staff, however, the public catalogues have not been continued in the elaborate form that was found to be desirable and was in use until May 1940. Although the provisional form now in use is sufficient for present needs, further work will be necessary before it will be possible to consider the full resumption of the Library's activities, including a comprehensive service to the general public. Means for ensuring the continuation of many collections (not considered to be indispensable at present, as there seems to be no danger of their going out of stock) and also for binding publications other than the essential ones which are all that can actually be bound now will be the vital need of the Library at this later stage.

2. Consultation and Publications.

Among the institutions and persons who made considerable use of the Library were the International Red Cross Committee,

various legations and consulates in Berne and Geneva; Swiss use of the Library has greatly increased, particularly in the field of overseas medical periodicals, many of which are not to be found in Switzerland except in this Library.

The *Monthly List of Selected Articles* continues to be published; the gap which occurred in the second half of 1940 has been filled, so that this *List* now presents an uninterrupted survey of material published in the various fields of social and political science since 1929. Compiled from periodicals received from all over the world, it has developed into a publication which is at present unique of its kind, and the increased demand for exchanges would seem to show a growing interest, as a result of which the Library receives much valuable material.
