

League of Nations  
Memorandum  
On the work of the League  
In relation to the Pacific  
Prepared for the Sixth Conference  
of the Institute of Pacific Relations

No. 3.

LEAGUE OF NATIONS

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ON THE WORK OF THE LEAGUE  
IN RELATION TO THE PACIFIC**

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**GENEVA  
1936**

*This Memorandum, prepared specially for the Conference of the Institute of Pacific Relations, must not be regarded as engaging any official responsibility. The work has been done by some members of the Secretariat in their individual capacity, limited, however, by necessary regard for their official positions.*

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## I. INTRODUCTION.

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At the beginning of this century, organised international life existed only in embryo. There was a certain amount of international co-operation in respect of administrative questions, such as posts and telegraphs, but this co-operation was very much restricted, and the step to more general association was a very long one and seemed, indeed, impossible. The League of Nations did not then exist, and but little regional organisation. Conferences of groups of States, which now succeed one another with baffling rapidity, were infrequent and stilted ; world meetings such as the League is now constantly organising were largely limited to the two Hague Conferences, which were brought together with much difficulty and functioned with considerable stiffness.

The relationship between the League of Nations and Governments in any specific region of the world such as the Pacific area can usefully be studied from two points of view. The first, and more specific, involves an analysis of the points of contact which actually exist between the universal agency and national Governments in the region in question. The second, and more general, leads to the question as to which method of international co-operation, the universal or regional, or some combination, can best promote both universal and regional welfare.

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The points of contact established during the last sixteen years between the League of Nations and Governments in

the Pacific area are probably more numerous and more specific than is perhaps commonly supposed. Distant though Geneva may seem from the Pacific, the problems it has to face are very similar to those which the Pacific States have to face. Very often, indeed, these have been simply different phases of the same problem.

Almost anything which a universal association of nations does may have a direct relationship to more localised official agencies in the various regions of the world. Whether it be a great effort to remove the causes of war, a programme to hasten the evolution of international law, an effort at general international administrative co-operation, or even mediation in an apparently local crisis, the results may reach very far. In some cases they may be direct ; in others they may establish precedents which sooner or later will bear fruit in the most unexpected ways. One of the surprises of League evolution in this first brief period has lain, indeed, in the discovery of the indivisibility of international life and the frequency with which similar situations recur in different settings.

Geneva has become a kind of testing-ground where the results of experience in one part of the world may immediately be made available to another. Almost everything that is done there contains, therefore, the possibility of repercussions in the Pacific. The League is not an extraneous organisation existing outside the Pacific and endeavouring to effect action within it ; it is in itself to a considerable degree a Pacific organisation. Most of the States of the Pacific area are Members of the League, or, to a greater or less degree, in co-operation with it. Most of them, indeed, were original Members of the League. Japan ceased to be a Member of the League on March 26th, 1935, while Russia assumed membership on September 18th, 1934. The United States, while not accepting membership, has taken part in general meetings such as the Disarmament, Monetary and Economic Conferences and in the technical, scientific, social and humanitarian work of the League. Important rôles have also devolved on many Pacific States. Japan was a permanent Member of the Council until her withdrawal ; Russia became a permanent Member on her admission ; Australia is now a temporary Member ; China and Canada have occupied similar positions, the former being

again a candidate at the 1936 Assembly. New Zealand will also be a candidate at the coming Assembly.

Of the various specific problems of the Pacific area that have come before the League, the first in point of time was that of mandates. That problem arose, indeed, even before the League was constituted. The disposition of certain territories transferred as the result of the world war was one of the principal problems at the Peace Conference, particularly interesting certain Pacific States, such as Japan, Australia and the United States. A solution, unique in international practice, was arrived at by entrusting these territories to certain mandatory Powers to be administered in accordance with general principles inscribed in the League Covenant and a system of control to be established by the League. The islands north of the equator, including the Caroline, Marshall and Marianne groups, were attributed to Japan; those south of the equator, including the Bismarck archipelago, Nauru, parts of New Guinea and the Samoan group, were divided between Australia and New Zealand. In subsequent years, the Mandates Commission has devoted close attention to these mandated areas; it has been aided by reports from the mandatory Powers and by the attendance of special representatives at its sessions; it has frequently asked for supplementary information and has endeavoured to contribute, not only to the development of the mandated area, but also to the execution of the task of the mandatory Governments and to the protection of the universal interest. The League thus has a definite interest in and responsibility for the well-being of several hundred thousand human beings scattered throughout the North and South Pacific areas.

Next in point of time has been the development of League health activities in the Pacific. From the outset, the League has been guided by the principle that disease knows no frontiers and by the fact that some of the most dangerous plagues originate in the Pacific area. As early as 1922, there began a series of visits and missions which have led to the most definite results. Most conspicuous, perhaps, has been the establishment of the Eastern Bureau at Singapore, which not only consults on general Far-Eastern health problems, but also maintains a constant wireless service notifying the statistics of infectious diseases to the proper authorities within a wide

circle from East Africa through Australia to Vladivostok. Perhaps even more important, however, has been the assistance the Health Organisation has been able to give to China in building up its new National Health Service, especially as regards port health facilities, medical education and the control of smallpox and cholera. Finally, there should be mentioned the Far-Eastern Rural Hygiene Conference, which is to be held in the Netherlands Indies in 1937. This has grown out of the good results obtained from a regional European Conference on rural hygiene held in 1931. Another example of the wider application of conclusions reached in a limited study is afforded by the worldwide investigation into problems of nutrition and dietary at present in progress. This had its beginning in a study of the food supply of Japan. No better illustrations could, indeed, be found of the interplay of international problems in different parts of the world and the utility of both the regional and the universal approach to them.

Partly as a result of the efforts of the Health Organisation in the Far East, there has evolved what has since become perhaps the most general of League activities in the Pacific area — that of technical assistance to China. The first technical contacts between that country and the League in the field of health had been sufficiently happy to lead to consideration of other possible fields of technical co-operation, in such matters as communications, economic organisation and finance. A telegram from President Chiang-Kai-Shek to the League Council on April 25th, 1931, requested League co-operation in several of these fields. The Council welcomed the request, and, as a result, many missions and individual experts have gone to China in the intervening years, missions on education and flood control, for instance, and experts on health, roads, silk culture, civil services, and the like. A special Committee of the Council, on which the United States has a representative, was created to supervise this co-operation, a Technical Agent was appointed as its co-ordinator, and a Bureau was opened in Nanking. Those who are directing the reform of Chinese administration have thus been able to draw from the technical organisations and resources of the League an effective and impartial type of international assistance, which they promise to call upon still further in sending Chinese experts abroad.



Within the field of such technical activities, special mention should be made of the League's communications work. Not only have the general principles and Conventions which it has evolved been of importance to Pacific States, but certain activities of particular direct regional importance to the Pacific have developed. The Communications and Transit Organisation has been active, for instance, in technical co-operation with China, its Director having made three visits to China, the first two in connection with problems of inland waterways and land reclamation, and the third as Technical Agent for League co-operation. In addition, three experts have gone to China to advise the Government on the Hwai River development and other similar improvements. Other experts have given advice on road construction and water conservancy. In the same way, the Siamese Government in 1933 requested advice on improvements to the approaches and installations of the port of Bangkok, a report being made the following year. Finally, a new era in communications between the Pacific area and Geneva was opened in 1932 by the League Wireless Station, which has been in constant touch with various Pacific countries both by telephone and by telegraph.

The League's work to stem the illicit traffic in narcotic drugs has also had special significance for the Pacific countries. International co-operation has been more universal in scope and more far-reaching in method in this field than in any other. Not only have the various Conventions established legal and administrative control which closely approaches the first worldwide executive power, but all States, irrespective of membership of the League, notably the United States and, since its withdrawal, Japan, have cordially co-operated against a scourge almost equally dangerous to all. Opium-smoking was the first and most characteristic Pacific aspect of the problem. It was submitted to special regional treatment through a Commission of Enquiry which the League sent on an extensive tour of the Far East in 1929, and a plenipotentiary Conference which it convened in Bangkok in 1931. Measures both of a preventive and of a repressive nature for dealing with this scourge were greatly extended and they would seem to be effective, as shown by a Chinese report that 81,000 addicts had been cured in

one year. The advent of manufactured narcotic drugs, however, has added still further evils. The Pacific States have co-operated in meeting this new danger as regards both importation from abroad and local manufacture. As the League's control began to tighten, clandestine factories sprang up in many countries, ten heroin and twenty-five narcotic-pill factories being discovered and shut down in 1934 in Shanghai alone. The existence of a universal law on a problem which is truly universal, and the activity of an ever-vigilant international administration, offer definite hope of reducing a human disaster which can only be met by a combination of universal and local action.

The League's measures against the traffic in women and children have also had their repercussions in the Pacific. As the three new Conventions elaborated through the League in 1921, 1923 and 1933 have greatly widened the basis of international law and procedure in this matter, and as the different agencies of national and international control have become more effective, the special problem in the Far East has naturally attracted special attention. In 1934, after consultation with Governments, a Commission of Enquiry was sent on an extensive tour of the East and found an active traffic, particularly amongst Asiatic women, as shown by the estimate of 17,000 foreign prostitutes in the cities visited, not to mention an unknown number of clandestine prostitutes and other exploited women. As a result, a regional Conference has been called for next year at Bandoeng, Java, to which twelve Governments in the Near and Far East have been invited. The United States originally accepted the invitation, but, when the Philippines became a Dominion, consulted that Government, was informed that the latter did not wish to attend, and therefore, as its concern had been particularly for the Philippines, decided merely to send an observer. In addition to this general problem, some study, though inconclusive, has been given to the particularly serious situation of women refugees of Russian origin in the Far East.

This brief summary would not be complete without reference to the Sino-Japanese dispute. That was unquestionably the gravest question submitted up to that time to the League, and served to focus its attention for months on the Pacific area. This is not the place to go into its details ; perhaps,

however, three points not commonly stressed might be mentioned. First, the League unquestionably provided a mechanism which had never before been available for a worldwide discussion of an international conflict. Secondly, it sent to the spot an excellent and impartial international commission, which elaborated a precise report and plan of settlement. Thirdly, it put before the world a considered conclusion. That these painstaking efforts carried out over months of intensive negotiation did not bring about a settlement should not lead to an under-appreciation of these aspects of the problem, but rather to an analysis of the causes of non-success and an effort to obviate them in future difficulties.

Such, then, are the general conceptions and the precise points of contact involved in the relationships of the League of Nations and the Pacific area. Unquestionably, the interests of the universal agency and the great region in question are as closely interwoven and interdependent as the manifold connections between the different nations of the world. The League is part of the Pacific area; the Pacific area is a part of the League. Each has its own special contribution to make both to the universal and to the regional welfare.

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A profound revolution in political thought has taken place during the last three or four decades. The shocks of the world war, the unparalleled progress in finance and industry, the great improvement in communications, and, perhaps most of all, the sufferings caused by the world economic crisis, have driven individuals, communities, nations and regions of the world into a clearer recognition of their neighbourhood and interdependence. National Governments have become more and more centralised; regional groupings have been brought into being or reinforced; over and above them all, the League of Nations has woven a labyrinth of relationships. The developments have been so rapid and the pace of life so swift that world opinion has not yet fully assessed the changes that have taken place. This is not to claim that these changes have led to a solution of the myriad problems bewilderingly thrown up; it is only to stress the fact that the world is fully

launched upon a new and unchartered path where new and unexplored problems will constantly be thrust upon it.

Amongst these is a question almost unmentioned a few decades ago : What is in fact, and what in the ideal should be, the relationship between a universal international co-operative movement such as the League of Nations aims to be and the official agencies in the various regions into which the world can roughly be divided ? Are the two entirely separate and distinct ? Are they, perhaps, opposed or antagonistic, or may they be mutually co-operative and helpful ? Should international organisation be built, so to speak, downwards, from the universal to the regional. Can it only be built slowly upwards from the regional to the universal, or can it be developed from both ends simultaneously ? So new is this question and so much is it an expression of the troubled times in which we live that it is not at all surprising, first, that very little attempt has been made to analyse it, and, second, that such attempts as have been made have varied in the conclusion reached.

In the early years of the League there was very little discussion on this subject. The development both of the League and of regional co-operation was so limited as to allow each a wide area of untrammelled development. But, as the world situation has become more acute, as the various nations have come into sharper contact, and as the necessity for international co-operation has become more imperative, the area of free movement has dwindled and international organisation has come to closer grips with realities. On the one hand, the League has found it necessary to operate in all parts of the world, beginning largely in Europe and being focused successively on the Far East by the Sino-Japanese conflict, on Latin America by the Leticia and Chaco conflicts, and on Africa by the Ethiopian conflict. At the same time, regional interests have also been intensified through movements such as the Pan-American Union in the Americas, the Petite and Balkan Ententes and the Scandinavian and Baltic groups in Europe. Further impetus has been given to this tendency by the convocation of a special inter-American Conference, and by the French plan of international organisation, which is based on special European relationships within a broad universal system. In the same way, also, unofficial regional

associations such as the Institute of Pacific Relations have had an almost parallel development.

The two methods of approach to international problems are sometimes contrasted in a way that implies that they contain elements of mutual antagonism. Some writers take the view that, as world development is constantly driving the various nations and regions into closer contact, the wisest procedure would be to start from the concept of a universality, which in any case must be the ultimate objective, and thereafter make whatever adaptation or arrangement may prove desirable within the framework erected upon the universal idea. Others urge that the universal approach must necessarily, in present circumstances, be limited in application, if, indeed, it is not entirely premature. The most practicable procedure, in their view, would be to establish groupings of States having common regional problems, with the idea that these groupings would inevitably establish relationships leading to more universal organisation.

This question of method will probably never be answered categorically in one sense or the other. The probability is that the best method will prove to be some combination of regional and universal organisation. The necessities of international life have brought both methods into being and both bid fair to develop ever more widely. International relations are likely to grow more, rather than less, intricate and complex; the world seems to be only on the threshold of the great political problems of the future. It will need more signposts than in the past, far clearer traffic rules, far more intensive administrative co-operation. Developments in the world of finance and of industry, modern technological advance and increasing populations have brought international society to the point where it must choose between order or chaos, organisation or disruption.

One point that is very little appreciated in this connection, however, is that the League of Nations itself, while based on the principle of universality, has nevertheless greatly developed co-operation and discussion within regions. All the major problems submitted to it have been dealt with by a combination of the universal and the regional. One of the earliest, the Aland Islands dispute, was settled by a double process of mediation by the League Council and by a Ten-

Power Baltic Conference. The Austrian problem was negotiated within the universal framework by the States which had special interests in that neighbourhood. The Sino-Japanese dispute, while placed against a universal background, was especially discussed by the States particularly interested in the Pacific, including at times the United States. Similarly, the Leticia and Chaco disputes, although discussed on universal principles, called into being special committees, in which Latin-American States took a predominant part, both in Geneva and in South America. Conversely, a problem which spans all continents, such as the problem of narcotic drug addiction, can be handled in such a way as to bring together all States concerned, irrespective of geography. The League system thus provides for a combination of universal and regional treatment, which can, moreover, be brought into play with the maximum speed and flexibility. A regional group based on either geographical situation or interest can be brought together almost at a moment's notice; it draws strength from the universal association which convened it, and is able to call on it for advice, support or assistance. This provides the maximum of flexibility and adaptability without being in any way formalised or stereotyped. The League is able, as it were, to direct a spotlight of any breadth or concentration to any point desired.

This does not mean, however, that the League has adopted a negative attitude towards efforts at more limited regional association or co-operation. On the contrary, it collaborates in such attempts. Improvement of relations in any part of the world obviously adds to the common weal. The League has never followed an egotistical policy; it has not tried to establish a monopoly of peaceful effort. It is concerned with the *fact* of peace and co-operation rather than with the method by which it may be sought. Indeed, it has frequently recognised the fact that certain problems can best be approached regionally and has in certain instances either appealed to existing local agencies or called new ones into being.

The obverse is equally true. Regional co-operation has often been organised with universal contact in mind. The Petite and Balkan Ententes, for instance, have been organised with the League. The Scandinavian and Baltic groupings frequently meet before League sessions to establish a certain area

of agreement and community of policy. President Roosevelt, in convening the Inter-American Conference, stated that "the agreements which might be reached would supplement and reinforce the efforts of the League of Nations and of all other existing or future peace agencies in seeking to prevent war". The test of any regional movement in its relation to universal well-being seems to lie, not in the fact of its existence, but in the spirit animating it. It is possible, of course, to conceive of regional associations which would, in fact, be contrary to the spirit of the Covenant or which would have a separatist or exclusivist tendency directed toward moving the nations apart rather than together. In ordinary circumstances, however, this is extremely unlikely, for the centripetal force in international life which is more and more driving towards a common centre, the interdependence of the various regions of the world, and the interplay between the units within the different regions all operate against it. What seems increasingly clear as international life unfolds is that the universal method has much to contribute to the regional in establishing certain minimum world standards, in discussing problems transcending any given region, and in bringing universal assistance to bear on any special locality or problem. In the same way, the regional method has much to contribute to the universal in clearing away problems of purely local concern, in providing the more precise study and action that is possible in a limited area, and in bringing special pressure to secure regional application of universal principles. There is room and need for both; the ideal in these early days of uncertainty and groping would seem to be a maximum of mutual sympathy, comprehension and co-operation between all agencies striving for international peace and co-operation.

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## II. TECHNICAL CO-OPERATION BETWEEN THE LEAGUE OF NATIONS AND CHINA.

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Co-operation between the technical organisations of the League of Nations and the official Chinese departments began in 1930, following an agreement concluded by the Chinese authorities with the League's Health Committee and approved by the Council and the Assembly.<sup>1</sup> A year later, the Chinese Government embarked upon a great programme of technical reconstruction throughout the country, and requested the League to lend co-operation to its plans for rebuilding in many fields. The organ of reconstruction in China was the National Economic Council, set up in Nanking in the spring of 1931.

Before the National Economic Council was actually in being, on April 25th, 1931, the National Government outlined, in a communication to the Council of the League, its plans for reconstruction in China and its hope that the League would assist in this great undertaking. It asked specifically that :

“(1) In the stage of first planning and organisation, the League might be able to send someone, as it has already done in the special domain of health work, for such limited period as might be practicable and convenient to the Government, in order to help with his advice both as to the plan itself and as to any subsequent methods by which the League could assist it.

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<sup>1</sup> See chapter on “ Health ”.



“(2) In the execution of particular projects, the League might, at the request of the Government, send or propose officers, representatives or experts who, apart from their own competence, could be in contact with the relevant technical organisation in Geneva.

“(3) In appropriate special cases, a League Committee, whether a standing committee or one appointed *ad hoc*, might, at the request of the Government, help to frame or improve some particular scheme.

“(4) The League might, in several ways, help in the training of China's own officers who will be required for the more extended work of later years. In the domain of health, the League has already been able to arrange for technical education in practical work in other countries, sometimes with the aid of fellowships.

“(5) In addition, the League might help the Government to find advisers to assist the development of the Chinese educational system and facilitate the intercourse between the centres of intellectual activity in China and abroad.”

The Council of the League, meeting on May 19th, 1931, decided to accede to this request. On the Secretary-General's recommendation, the Director of the Health Organisation was authorised to make a visit to China in order to plan how the proposed schemes should be put into effect. During the following three years, the Chinese Government was able to avail itself of the advice and assistance of a certain number of experts from the League's technical organisations. The Secretary-General, at its request, recommended candidates for technical work in the Government's service. Two “liaison” agents, the Directors of the Health Organisation and the Organisation for Communications and Transit respectively, visited China and took charge of the co-ordination of technical work in the various fields in which reconstruction was being actively pursued: engineering, public health, finance, public administration, education.

The work during this period was rendered difficult, first, by the calamitous floods of the Yangtze and Yellow Rivers and, second, by the extension of hostilities in the north-eastern provinces of China. Nevertheless, the National

Economic Council made a beginning with its reconstruction activities. Dikes were strengthened on the Yangtse and Yellow Rivers and on the Han, Kan and Hwai Rivers of Central China. Water conservancy work was also developed along the seashore of Northern Kiangsu. Two schemes for road-building were carried out and the Chinese Government set up its Three-year Plan for the development of health services, conceived as an instrument of rural reconstruction. A central hospital and a central field health station were established in Nanking, and areas in which model field work could be carried on were organised.

During this period, the following technical experts were sent to China through co-operation with the League's technical organisations :

Dr. B. Borcic, Director of the School of Hygiene at Zagreb, who had been acting since July 1930 as representative of the League's Health Organisation, was associated with the medical and sanitary emergency work necessitated by the flood catastrophes.

In October 1931, there arrived a Commission of educational authorities, consisting of the late Dr. Carl Becker, formerly Prussian Minister of Education ; M. P. Langevin, Professor at the Collège de France ; M. M. Falski, formerly director of the Polish Ministry of Education ; and Mr. R. H. Tawney, of London University. This Commission was despatched by the International Institute of Intellectual Co-operation, and was accompanied by M. Bonnet, Director of the Institute, and Mr. Walters, representing the Secretary-General of the League. The Commission studied the educational system in China, and in its report, which was presented in July 1932, it made proposals for certain changes.

At the beginning of November 1931, Dr. Ciuca and Dr. T. F. Huang, members of the Health Section of the League Secretariat, were sent for periods of three and six months respectively for urgent preventive and medical work in connection with flood relief. Dr. Ciuca made, in particular, a survey of the malaria situation in the Yangtse Valley, and Dr. Huang was in charge of medical relief at Hankow. Late in November, Dr. A. Stampar, member of the League's Health Committee, joined them in anti-epidemic work for a period of several months.

At the beginning of December, at the request of the Minister of Public Instruction and with the financial support of the League of Nations, three Professors — M. Parejas, Professor of Geology at the University of Geneva ; Dr. Wissmann, of the University of Vienna ; and Mr. Davy, Reader in English Literature at Nottingham University — were placed at the disposal of the National Central University of Nanking for the academic years 1931/32 and 1932/33.

In January 1932, two engineers representing the Organisation for Communications and Transit of the League — M. Okecki, Ministerial Adviser to the Ministry of Public Works at Warsaw, and M. Bourdrez, a Dutch specialist on hydraulic questions — were placed at the disposal of, and have since been closely collaborating with, the technical bureaux of the National Economic Council.

In the same month of January 1932, in fulfilment of a request made by the Chinese Government to the Communications and Transit Organisation of the League, a Commission of three hydraulic engineers, consisting of Mr. Coode, a member of the London Institute of Civil Engineers ; M. Perrier, Inspector-General of Roads and Bridges, Paris ; and Herr Sieveking, Director at the Hamburg Port Administration, arrived to study certain problems connected with the Hwai River, the port of Shanghai, and the rivers of North China.

In October 1932, Professor Carlo Dragoni, formerly Secretary-General of the International Institute of Agriculture at Rome, undertook, in response to a request of the Chinese Government and at the nomination of the Economic Committee of the League, a six months' study of the conditions of Chinese agriculture, and presented, in 1933, a report on the subject to the National Economic Council.

In the same month, M. Benito Mari, former chairman of the Italian Association of Sericulture, was nominated by the Economic Committee of the League, at the request of the Chinese Government, to make a study of sericulture in China and to examine the possibilities of its rehabilitation. M. Mari collaborated with the National Economic Council in this capacity until December 1933, when he joined the staff of the Council.

From March 1933, M. Charron, of the Economic and

Financial Section of the League of Nations, at the request of the Chairman of the National Economic Council, spent six weeks in China discussing problems connected with the preparatory work for the Monetary and Economic Conference and in response to the request to co-ordinate the activities in China of the various League specialists.

In May 1933, Dr. Muehlens, of the Hamburg Institute of Tropical Diseases, a member of the League's Malaria Commission, undertook an enquiry on the frequency of malaria and made recommendations as to the prophylactic measures to be taken.

Later in the year, Dr. Stampar, formerly Director of Public Health at the Ministry of Social Assistance and Public Health, Belgrade, was despatched by the Health Section, and M. Briand-Clausen, Secretary of the Danish Agricultural Council, by the Economic and Financial Section, in response to the new plan of collaboration inaugurated by the Council Committee's decision of July 18th, 1933.

In addition, the Directors of the Health and of the Communications and Transit Sections of the League Secretariat acted as technical liaison officers from September 10th to December 26th, 1931, and from January to August 1932 respectively.

In the spring of 1933, the convocation of the Monetary and Economic Conference in London aroused hopes of an early concerted effort to devise international agreement and consequent action likely to contribute towards an early solution of the world economic and financial crisis. The Chinese Government responded in April to the invitation of the President of the United States of America by commissioning Dr. T. V. Soong, Vice-President of the Executive Yuan (then Minister of Finance), acting chairman of the National Economic Council, to consult with the United States Government and to lead the Chinese delegation at the London Conference. The financial arrangements entered into in May 1933 between the Chinese Government and the Reconstruction Finance Corporation of the United States inaugurated a series of consultations with delegations to the Monetary and Economic Conference and leaders of industrial countries, with a view to studying the prospects of co-operation in the field of economic development. At the same time, the Chinese

Government entered into an agreement with the Council of the League for technical collaboration on the terms and conditions stated above.

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On June 28th, 1933, the Chinese Government made a report on the work done since 1931 with the collaboration of experts sent out under the auspices of the League. By this time, a number of separate experiments had been made in different fields, and it was becoming possible more clearly to define the nature and extent of the problem of reorganisation with which the Government was faced. At this point, the Chinese Government decided to alter its method of approach to that problem. It came to the conclusion that, "the preliminary work of survey having been done, the National Government, in view of the resources at its disposal, has decided as a beginning to carry into practice its national reconstruction work in a few provinces which will serve as models for the rest of the country".

A period of more concentrated work was now to be embarked upon. "It is clear", said the Chinese note to the League Council, "that this work demands continued effort on the part of all who take part in it, as well as constant co-ordination of all the activities involved. The National Government would highly value measures which the Council might take in the present circumstances in order to ensure this continuous collaboration from the League in its work of reconstruction." It asked, in particular, that a technical officer be accredited by the League to the National Government and the National Economic Council in order to consult with them on the spot with regard to the various undertakings contemplated.

In response to this appeal, the Council of the League decided to appoint a Technical Agent to the Chinese Government. The terms of his appointment were defined in a resolution dated July 18th, 1933 :

"The appointment of the Technical Agent requested by the Chinese Government is of a purely technical and entirely non-political character. In view of this fundamental principle, it is understood that the Technical

Agent shall act as a technical liaison officer with the National Economic Council of China for the purpose of technical co-operation with the competent organs of the League of Nations. He shall hold office for one year. His salary and his travelling and subsistence expenses shall be defrayed by the Chinese Government.

“ The duties of the Technical Agent shall be :

“ (1) To supply information on the working of the technical organisations of the League and on the manner in which these organisations may be utilised for the purpose of co-operation in the reconstruction of China ;

“ (2) To transmit to the Secretary-General of the League of Nations, for submission to the competent organisation or organisations, any request for technical co-operation which he may receive from the Chinese Government ;

“ (3) To afford the Chinese Government such assistance as it may desire with a view to securing the co-operation of such experts as that Government may wish to engage for technical service connected with the work of reconstruction ; and

“ (4) To assist the National Economic Council in co-ordinating on the spot the activities of the experts of the League's technical organisations.”

Dr. Ludwig Rajchmann, Director of the Health Section of the League Secretariat, was appointed first Technical Agent under the terms of this resolution. He arrived in China on October 3rd, 1933. On the next day, the Chinese National Government set up the Standing Committee of the National Economic Council to make a detailed study of the technical work to be undertaken in 1934 in continuation of the work of reconstruction which had been going on without interruption since 1931. The programme of collaboration with the League's technical organisations was drawn up. It was decided that, during 1934, attention would be directed mainly to improvements in communications, schemes for water conservancy and for reconstruction in rural areas, education and public health.

The problem of communications was one of particular

urgency. The Communications and Transit Organisation, therefore, made arrangements to obtain the services of engineers who had had experience in countries where conditions are similar to those in China. The following problems were studied :

- (1) The best types of roads adapted to selected areas ;
- (2) The method of operating roads ;
- (3) The available local fuel supplies ;
- (4) The most suitable types of vehicles and engines.

In the course of the ensuing year, the National Economic Council developed administrative services and set up technical and advisory committees as needs arose. Some aspects of the reconstruction programme were dealt with outside this Council by the various technical Ministries — for example, railway construction, the development of aviation, and the improvement of telegraphic and wireless communication. A full account of the chief enterprises undertaken in 1934 and 1935 in co-operation with the experts from the League's technical organisations appears in the reports of the two technical agents of the Council on their respective missions to China.<sup>1</sup> These cover the work done with regard to agriculture (both the technological problems connected with production and the sociological questions involved in a study of a system of taxation, rent and ownership of land, the question of rural credit and the development of rural co-operation) ; public works, notably in the domain of flood control, irrigation, the improvement of waterways and road-building ; public health and education.

The following is a more detailed account of the work of reconstruction carried out in 1935 :

#### AGRICULTURE.

It is only natural that agriculture, by which the vast majority of the Chinese people live, should continue to be one

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<sup>1</sup> Report of Dr. Ludwig Rajchmann, published by the League in April 1934 : document C.157.M.66.1934 ; Report of M. Robert Haas, published by the League in October 1935 : document C.410.M.206.1935. Special supplementary reports of the experts have been published by the National Economic Council of China.

of the chief concerns of the Chinese Government and the National Economic Council. Various steps have accordingly been taken to develop the sources of agricultural products, such as silk and tea, for which China has long been famous, and others, such as cotton and live-stock, which, if circumstances are favourable, can considerably reduce her economic burdens and raise the general standard of living. Evidence of the strenuous efforts that the National Economic Council is making to find solutions for these vital problems can be found in all its reports.

Special mention should be made of the problem of agricultural co-operative societies, which have made rapid strides during the last few years. The Chinese Government recognised their value, but felt that they should be encouraged to develop along the lines suggested by the experience of other countries, and accordingly decided to obtain the services of a first-class specialist. The League was approached, and suggested Mr. Campbell, who had done excellent work in this field in Ceylon. Mr. Campbell was engaged for a mission which began in September 1935 and should last several years if the results are to be really satisfactory.

Wishing to develop and radically improve the silk industry, the Chinese Government decided to engage an expert on sericulture. This expert, M. B. Mari, has been in China since the autumn of 1932, acting as technical adviser on the subject to the National Economic Council. On January 1st, 1934, he became an official of the Chinese Government.

#### COMMUNICATIONS AND TRANSIT.

Co-operation between the Transit Organisation and the Chinese Government has progressed satisfactorily. Since 1932, an engineer, M. Bourdrez, has been attached to the Government as local representative of the Communications and Transit Organisation. He is devoting most of his attention to hydraulic questions.

The representatives of the Communications and Transit Organisation in China have continued to co-operate with the Government and to advise it on their respective subjects, especially roads and hydraulic works and the co-ordination



of the various schemes that are being carried out in China. The group of experts on hydraulic and road questions sent to China in 1935 at the Government's request has drawn up a report,<sup>1</sup> based on its own observation and the abundant material collected. Early in 1936, the report was forwarded to the Chinese Government, which now has a programme to work on for the future.

This voluminous general report has been based on drafts prepared by the individual experts in charge of the various problems. These were as follows: improvement works on the Hwai River and on the watercourses of Northern China; works on the Fen Ho; improvements proposed on the Hsio Ching Ho; improvement of the course of the Yellow River; the Kuang Ting reservoir on the Yung Ting Ho; certain problems connected with the Yang Tse Kiang; problems of the hydraulic system of Shensi; irrigation problems in Suiyuan; the road problem and road communications in China.

As the outcome of this mission of experts, and with a view to co-ordinating the various recommendations more effectively on the spot and making it easier for the Chinese authorities to apply them in practice, the Chairman of the Advisory and Technical Committee for Communications and Transit sent one of the experts, M. Coursin, Chief Engineer of the French Administration of Bridges and Highways, Director of Public Works in Madagascar, to China on a mission for several months, as the Transit Organisation's representative attached to the Chinese National Economic Council. M. Coursin is at present carrying out this mission, devoting special attention to road questions and road transport.

### PUBLIC HEALTH.

In undertaking reconstruction work in the field of public health, with the help of the Health Organisation, the Chinese Government's primary aim was to establish a central organism consisting of the National Health Administration, the Central Applied Hygiene Station, the Nanking Central Hospital, the

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<sup>1</sup> Document C.91.M.34.1936.VIII.

Central Laboratory of Hygiene, the Central School of Nursing, the Central School of Midwifery, and the Nanking Municipal School of Hygiene. This organism is now firmly established. It forms at one and the same time a central administration, whose duty it is to regulate and administer public health, a centre of technical studies, and a school for the training of health officers.

The Government is now concentrating chiefly on providing better facilities in the interior.

For this purpose, the National Economic Council is making use of the services of one of the Health Organisation's experts, Dr. A. Stampar, Honorary Director of Public Health in Yugoslavia and a former member of the Health Committee. Dr. Stampar is studying the medical and sanitary equipment of the provinces. He has investigated the situation on the spot and is now engaged in drawing up schemes of organisation and supervising their execution. The provinces so far covered are Kansu, Hunan, Kiangsi, Shensi and Shansi, Yunnan, Szechwan and Fukien.

Up to December 31st, 1934, Dr. B. Borcic, Director of the Zagreb Institute of Hygiene, had been attached to the Central Health Authorities of China as representative of the Health Organisation. On July 26th, 1935, the Chinese Government asked that his mission should be renewed. Dr. Borcic took over his duties on May 1st, 1936. He devotes most of his time to co-operating in the work of the Central Applied Hygiene Station, one of whose most important functions is to train the officials of the health services (medical officers of health, public health nurses, sanitary engineers and sanitary inspectors, midwives, etc.). It also organises research work in its laboratories in bacteriology, pharmacology, etc.; carries out, on behalf of the central administration, certain practical work, such as bacteriological, serological and pathological examinations; analyses and inspects water, biological products and patent medicines; organises water supplies, hospital administration, health propaganda, etc.

Under the plan of collaboration between the Chinese Government and the Health Organisation, the latter is continuing to give the Chinese Health Administration the facilities of its liaison system. During the last quarter of 1935, the Shanghai Commissioner of Public Health was thus able

to study the municipal administration of public health in several large European cities. For 1936, the Chinese Administration has proposed the following missions :

Mission of the Dean of the Kiangsi Provincial Midwifery School : to study maternity and child health and welfare ;

Mission of the Assistant Superintendent and Surgeon-in-Chief of the Central Hospital : to study hospital administration ;

Mission of the Director of the National Epidemic Prevention Bureau : to study the manufacture of vaccines, sera and other biological products.

The Chinese Administration has also selected one of its members to attend the malariology course at Singapore.

In accordance with the arrangements approved by the Council Committee for China in March 1936, these experts will be attached to the Secretariat. Under the guidance of a member of the Health Section, they will study collectively for six months in certain European cities.

An expert attached to the *Anti-Epidemic Bureau* of Mongolia and Suiyen will study methods of combating plague in certain special institutes in India and the Netherlands Indies.

## COLLABORATION OF THE INTELLECTUAL CO-OPERATION ORGANISATION WITH THE CHINESE GOVERNMENT.

### A. *Reorganisation of Public Education.*

In pursuance of its programme of collaboration with the efforts of the Chinese Government gradually and progressively to reorganise public education in that country, the Institute of Intellectual Co-operation, in 1934, asked M. Jean Escarra, Professor in the Faculty of Law, Paris, and a distinguished Sinologist, to prepare, while on a visit to China and with the approval of the Central Government, a special study on the science and teaching of law in that country. His report gives an historical survey of the teaching of law in China and describes its present status, all the information given being based on reliable and abundant documentation. The study leads

to concrete conclusions regarding the reforms which it would be desirable to introduce into this teaching. They follow very closely the recommendations formulated in the report of the League of Nations Mission of Experts ("The Reorganisation of Public Education in China", 1932), the spirit of which meets with M. Escarra's full approval.

Among the conclusions reached in this document, mention should be made of those relating to the sending of students abroad. M. Escarra believes that the privilege of foreign study should be granted only to young people thoroughly trained in ancient and modern Chinese law and possessing a sufficient knowledge of the language of the country to which they are sent. He also recommends that a sort of employment and information bureau should be established, as a Government office, in order to ensure a better distribution of graduates according to their needs and requirements.

By publishing M. Escarra's report, the conclusions of which have already been submitted to the authorities in Nanking, the Institute will very fittingly complete, with a special study, the general report drawn up in 1932 by the League of Nations Mission of Experts on the Reorganisation of Public Education in China.

### *B. Vocational Guidance for Chinese Students.*

In July 1934, the International Committee on Intellectual Co-operation appointed a Sub-Committee to study what assistance international and national organisations might accord to the employment bureaux for intellectual and technical workers which the Chinese Government had decided to establish at Nanking and in certain Western centres. These bureaux will have as their principal function the furthering of the vocational training of Chinese students in Europe or the United States of America and the adaptation of this training to the needs of modern life in China.

The Sub-Committee began its task by assembling information. A memorandum drawn up by Sir Frank Heath, its Chairman, with the assistance of the Institute and of the various national organisations concerned with the welfare of Chinese students, describes the facilities for study offered in Belgium, France, Germany, Italy and the United States, and indicates

the principles which, in the opinion of the principal Western organisations concerned, should be embodied in the moral and intellectual assistance accorded to Chinese students. It further outlines the possibilities of action open to the bureaux, whose duty it would be to ensure liaison, in Europe and the United States, with the Nanking Bureau.

Meanwhile, the Chinese Ministry of Public Education informed the Intellectual Co-operation Organisation of the League that the Nanking Employment Bureau for Intellectual Workers was established in October 1934. It added, however, that, to begin with, this Bureau would confine its activities to China; only later would it extend its field of action to cover the whole of the sphere allotted to it in the original plan.

Notwithstanding this unforeseen delay, the Sub-Committee deemed it advisable to proceed with its work, if only to show the importance it attached to the formation of bureaux of liaison with Nanking, and also to be able to have carefully thought-out proposals ready for submission to these organisations as soon as the latter have been established. At its meeting of December 19th, 1934, it revised the memorandum prepared by its Chairman, Sir Frank Heath, and decided to communicate it to the Nanking Government. It suggested that this Government should nominate, as soon as circumstances permitted, at least one outstanding Chinese educator to remain personally in constant contact with his fellow-countrymen scattered among the university centres of the West and to direct their studies. Until such an appointment is made, the national organisations already established in Europe and America, most of which were formed with the special object of assisting Chinese students, will continue the work which will later be entrusted to the bureaux of liaison.

### *C. Chinese National Committee on Intellectual Co-operation.*

This Committee, which was formed in the spring of 1933 under the auspices of the Ministry of National Education, appears to be destined to play a conspicuous part in the development of intellectual intercourse between China and the West. It participates actively in the work of the Intellectual Co-operation Organisation, and, on its own initiative, has

done some extremely interesting work. In September 1934, for example, an exhibition of folk art, comprising several thousand objects illustrating the customs of the different regions and the life and occupations of various classes of Chinese society, was held at the Wai-Jen-Tan Palace, the former residence of the President of the Republic. A useful guide for students of China is the volume entitled "Handbook of Cultural Institutions in China", edited by W. Y. Chyne, Deputy Secretary-General of the National Committee. This study furnishes information concerning 150 cultural institutions, 100 libraries, 25 museums, 11 observatories, 88 institutes and other bodies for research, 42 technical and professional training-schools, 45 universities and 38 university colleges.

One of the most remarkable accomplishments of the Chinese Committee has been the translation into Chinese of a number of the Institute's publications. These include annual reports to the Council on the work of the Institute, a special study of the development of popular arts and crafts in these days of increased (and not always voluntary) leisure among workers; and the "conversation" on Goethe conducted at Frankfort to mark the centenary of the poet's death. The translators have overcome in admirable fashion the very considerable obstacle presented by the metaphor and mental approach of the West, and have produced in the currency of Chinese thought a typical creation of modern intellectual life in Europe.

For Chinese students, the National Committee has recently issued a translation of the "Guide for Chinese Students abroad", prepared by Mr. H. N. Davy, exchange professor sent to China by the League of Nations and founder, in Nanking, of an Information Committee to advise Chinese students wishing to pursue their studies abroad. The quarterly bulletin which the Chinese Committee published in collaboration with the Peiping National Library contains very full information on all the works and periodicals appearing in China in foreign languages; it also gives a list of the foreign works (*Index Translationum*) which have been translated into Chinese, in addition to an analytical bibliography of Government publications, and of books and review articles in Chinese dealing with the various aspects of the civilisation of the country.

## TRAINING OF CHINESE EXPERTS.

The Technical Agents of the League Council, while engaged upon the immediate problems of present technical enterprises, have not failed to consider the question of how these undertakings are to be continued in the future. The report of 1934 made it clear that its author did not believe it advisable to continue indefinitely this method of assistance by foreign experts. The ultimate measure of China's success in her gigantic task of reconstruction will be the degree to which she is able to train experts to plan and carry out the great schemes of reform in agriculture, engineering, medicine, public administration and education. The report of 1934 suggests one method of enriching the experience of Chinese experts :

“ There is no doubt that greater emphasis should be laid on visits of Chinese specialists abroad than has hitherto been the case. At present, contacts abroad are limited mainly to diplomatists and such eminent intellectuals as are fully conversant with foreign languages. Technical contacts between men holding responsible positions in economic and public life should be multiplied and placed on an organised basis. . . . The technical collaboration through the League should provide facilities for a close working association with men in institutions having technical responsibility in the various countries for framing and executing policies in the spheres of economic activity and economic and social reform.”

The representative of the Chinese Government expressed himself in agreement with this view at the last session of the China Committee of the Council (March 1936). The most imperative necessity for the complex task of Chinese reconstruction was, he said, the training of a large staff of highly qualified experts within the country. The Chinese Government was most anxious that young doctors, engineers, economists, etc., who were already thoroughly familiar with their own professions should be enabled to travel abroad to examine methods employed and results obtained in other countries.

The Council Committee discussed this problem of the

future of Chinese reconstruction, and decided that the sending of Chinese technicians on missions or tours of study abroad came within the scope of technical co-operation between the League and China. The help of the League's technical organisations is to be enlisted, so that the missions or tours may be carried out under the most favourable conditions with the greatest benefit to the participants.

It has accordingly been arranged that the League shall contribute towards the expenses in the following manner : A number of Chinese technicians will be attached, for the duration of their mission, to the appropriate technical sections of the Secretariat, and will thus be under the Secretary-General's authority. The sections concerned will draw up an annual programme based on the Chinese Government's proposals to the Secretary-General, and limited only by the funds available. This scheme will be initiated in the present year, a few doctors being the first beneficiaries.

The Chinese Government also asked the Secretary-General to endeavour to induce the appropriate administrations of each of three or four countries to receive one Chinese engineer already possessing some experience of hydraulic works. These engineers will be incorporated for two or three years in the national staff, as unpaid supernumeraries, supplementing their knowledge and benefiting by local experience. They will have opportunities of seeing for themselves how the river conservancy and irrigation works are organised, while continuing their studies at the special schools in the countries in which they are living.

The Secretary-General at once took steps to enable the Chinese Government to carry out this idea. His efforts have met with the warmest response from foreign Governments. The scheme will cost the League nothing.

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### III. COMMUNICATIONS AND TRANSIT.

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In fulfilling its mission, in conformity with Article 23 (*e*) of the Covenant, "to make provisions to secure and maintain freedom of communications and of transit and equitable treatment for the commerce of all Members of the League", the Organisation for Communications and Transit necessarily includes within its scope the countries of the Pacific. Such countries have taken part in many activities held under the auspices of the Organisation, and several Pacific States have signed and ratified international Conventions on questions of communications and transit.

The year 1931, when the Transit Organisation first began to collaborate with the Government of China, marked an important stage in the development of its relations with the Pacific. The Transit Organisation has furnished technical advice to the Government of Siam. The League Wireless Station has, since early in 1932, established both radio-telephonic and radio-telegraphic communications between Geneva and the Pacific.

The Organisation studies, in general, the measures likely to ensure the freedom of communications and transit by land and sea, on navigable waterways and in the air, assists the Assembly and the Council in an advisory capacity, and co-operates in effecting a friendly settlement of disputes which may arise in its sphere of activities. It further endeavours to co-ordinate the work of the numerous private international bodies dealing with these questions.

Its first task was to codify the general principles of international law on the freedom of transit and on various means of communications (inland waterways, railways, maritime

ports, electricity). These principles once established, it concentrated on the unification or simplification of certain administrative and technical problems in public and private law (inland navigation : tonnage measurement, collisions, rights *in rem* over vessels, right to a flag ; transit card for emigrants ; maritime signals ; road traffic : signals, undischarged or lost triptychs, and taxation of foreign motor vehicles). Conventions on most of these subjects are already in force.

The Communications and Transit Organisation exercises its action through :

(1) Ordinary or special general conferences and partial conferences ;

(2) An Advisory and Technical Committee for Communications and Transit ;

(3) The Permanent Committees of the Advisory and Technical Committee—viz. :

Permanent Committee for Ports and Maritime Navigation ; Permanent Committee for Inland Navigation ; Permanent Committee for Transport by Rail ; Permanent Committee on Electrical Questions ; Permanent Legal Committee ; Permanent Committee on Road Traffic ; Budget Sub-Committee ;

(4) Temporary Committees—viz. :

Air Transport Co-operation Committee ; Committee of Enquiry on Questions relating to Public Works and National Technical Equipment ; Preparatory Committee for the Unification of Buoyage Rules ; Technical Committee on the Tonnage Measurement of Ships ; Committee for the Unification of River Law ;

(5) A Permanent Secretariat constituted by the Communications and Transit Section of the League Secretariat.

#### FREEDOM OF TRANSIT.

Persons or goods are said to be in transit when they pass through a given State in the course of a journey beginning

and terminating outside the territory of that State. This class of transport stands in particular need of international guarantees. *The International Convention on Freedom of Transit*, concluded at Barcelona in 1921, was, therefore, designed to prevent any interruption or hindrance to such traffic. To that end, it provided for complete freedom of transit and equality of treatment as regards transit by rail or navigable waterways, subject to reasonable restrictions, with respect to police, public safety and local conditions obtaining in various parts of the world.

### INLAND NAVIGATION.

A *Convention on this subject* was concluded at Barcelona in 1921. It embodies the principle of the freedom of navigation on rivers which separate or traverse different States. A number of States accepted certain obligations in regard to all their waterways (and not only to those of international concern) in an Additional Protocol.

Furthermore, a *European Convention laying down uniform rules of tonnage measurement for vessels employed in inland navigation* was concluded in 1925, while three Conventions regarding certain questions of private river law, such as those relating to *collisions, registration, mortgages and liens, and the right to a flag*, were concluded in 1930.

### RAILWAYS.

*The Convention on the International Regime of Railways*, which was concluded at Geneva in 1923, is a general code of the facilities necessary to make the railways of greater service to international traffic. The Convention represented the first attempt to define the permanent obligations of States in regard to railway transport. It also contained, for the first time, provisions prohibiting unfair discrimination in railway tariffs directed against foreign States, their nationals or their vessels.

## MARITIME QUESTIONS.

Several conferences organised by the Transit Organisation have dealt with maritime questions. Their work led to the conclusion of four agreements.

(1) The Barcelona Conference adopted a *Declaration permitting land-locked States to possess a maritime flag*, and hence a merchant fleet.

(2) *A Convention on the International Regime of Maritime Ports*, establishing the principle of the equality of treatment of vessels in maritime ports, irrespective of flag, was concluded at Geneva in 1923.

At the Conference for the *Unification of Buoyage and the Lighting of Coasts*, held in Lisbon in 1930, the following agreements were concluded :

(3) *Agreement on maritime signals.*

(4) *Agreement on manned lightships not on their stations.*

The Lisbon Conference also adopted a series of recommendations on lighthouse characteristics and radio-beacons.

The Lisbon Conference's agenda also included the question of the *unification of buoyage characteristics*, a problem on which it was unable to reach unanimous agreement.

A draft Agreement and draft Rules were, however, drawn up as a result of private consultation of the Governments. These were submitted to the Council, which decided, on May 13th, 1936, to open the Agreement, to which the draft Rules are annexes, to signature by the States which had been invited to the Lisbon Conference.

The inconvenience caused to shipping by the diversity of the rules applied by maritime countries to the *tonnage measurement* of ships (the so-called British, German, Panama Canal and Suez Canal rules), together with the difficulty of interpreting these rules, has led the Advisory and Technical Committee to frame a set of draft international rules on tonnage measurement which has been submitted to the Governments concerned. It may be anticipated that international agreements will be concluded on this subject.

The question of *sea pollution by petroleum oils* was considered by the Transit Organisation at the request of the United

Kingdom Government. Such oils, or mixtures of them with water, discharged by ships, are known to destroy sea birds, fish and marine plants (on which fish live), to pollute the water at bathing-resorts and to cause danger of fire in ports. A draft Convention has been circulated to Governments and will be considered by an international conference.

### ELECTRICITY.

Two Conventions were concluded at Geneva in 1923 on electric power : one on the *transmission in transit* across a State's territory of electric power produced in another State and used in a third ; the other on the *development of power affecting more than one State*, especially where international watercourses are used.

### ROAD TRAFFIC.

Every country is now visited by a growing number of foreign motorists. A uniform and readily understandable system of *signalling*, both in towns and on the roads, is therefore becoming increasingly necessary. The Organisation, accordingly, drew up a system of signals which was codified in a Convention concluded in 1931. The signals adopted are of three kinds, which are distinguished from one another by shape, as follows : danger signals (triangular) ; signals giving definite instructions (circular) ; and signals merely providing information (rectangular). It is prescribed that, in signals indicating a prohibition, red must predominate.

Other recommendations deal with light-signalling in towns ; the signs to be made by traffic police and the drivers of motor vehicles ; the general use of a " stop " signal on the rear of vehicles indicating the application of the brakes ; and, lastly, the height at which signs should be placed so as to be visible to the drivers of low-bodied cars.

The Transit Organisation is at present examining another problem of the greatest importance to the safety of rail and highway transport — namely, the *marking of level-crossings*. The work done justifies the hope that real progress may

soon be made through the conclusion of an international agreement.

In virtue of the Convention on the *fiscal treatment* of foreign motor vehicles, the signatory States undertake to grant, within a period of one year, exemption for ninety days from taxes or charges imposed on the circulation or possession of motor-cars to motor vehicles registered in the territory of one of the contracting parties and temporarily travelling in the territory of another.

The Transit Organisation has endeavoured to secure the further simplification of the frontier formalities with which motorists must comply, by recommending the extension of the triptych to categories of motorists who, in certain countries, were formerly debarred from obtaining them. In 1931, a European Agreement was, moreover, concluded *facilitating the procedure in regard to undischarged or lost triptychs*.

#### AIR NAVIGATION.

The Air Transport Co-operation Committee is examining, among other questions, that of the establishment of an international air network of essential connections covering the European continent and the Mediterranean basin. In 1935, a study was completed of the economic position of air transport in Europe, the first one of this character ever published.

Preparations were completed early in 1936 for the conclusion of an international agreement by which European Governments will grant *exemption from Customs duties for air-transport fuel*.

#### PUBLIC WORKS.

In the sphere of public works, the Organisation has given expert assistance to certain Governments. Experts were placed at the disposal of the Polish Government to study questions relating to the improvement of inland waterways. The assistance afforded to the Chinese and Siamese Governments is specially referred to below.

Further, the Transit Organisation has studied, from the

point of view of their productivity, their international importance and their utility for the campaign against unemployment, various programmes of large-scale public works which were communicated to it by Governments. A list of the plans approved by the Transit Organisation was transmitted to the Monetary and Economic Conference.

In compliance with the opinions expressed by the Council and the Assembly in 1933, the various Governments were approached for information regarding national public works recently completed or still in progress, together with the organisation and the economic and social results that have already been obtained or that may be expected. All the replies received have been published and circulated to Governments. The two large volumes, entitled "National Public Works", issued by the Transit Organisation (documents C.482.M.209.1934.VIII and Addendum) contain, among others, sections on public works undertaken by certain countries of the Pacific, notably the United States of America, Australia, Canada and China.

Finally, the information thus collected has been considered by qualified experts, who have drawn from it conclusions of general interest (see document C.276.M.166.1936.VIII).

#### TECHNICAL CO-OPERATION WITH SIAM.

In 1933, the Siamese Government asked for the opinion of the Transit Organisation on the question of improvements to the approaches of the port of Bangkok and the installations of the port. The matter was referred to three experts, one of whom proceeded to Siam. Their report, dealing very fully with the problems raised, was transmitted to the Siamese Government in 1934.

#### LEAGUE WIRELESS STATION.

The League Wireless Station has been in operation since early in 1932. The station is available in normal times for League requirements, and in an emergency would provide the League with independent means of communication.

“ Radio-Nations ” has the use of a medium-wave transmitter for communications with European countries. There is a short-wave station with two transmitters of 20 kw. in the aerial working on a directional (beam) and a non-directional system ; also a receiving station capable of picking up messages from most stations in the world by directional and non-directional receiving aerials.

At ordinary times, the short-wave station is used for official communication with South America and the Far East. It broadcasts important documents and enables direct contact to be maintained between the delegations of many countries and their Governments, or with public opinion at home. It maintains radio-telegraphic communications with certain extra-European countries, including China and Japan, and is sometimes used for wireless telephone conversations with North and South America, China and Japan.

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## IV. FINANCIAL ORGANISATION AND ECONOMIC INTELLIGENCE SERVICE.

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The Financial Organisation of the League consists of certain Committees and of the Financial Section of the Secretariat. The chief of these Committees are the Financial Committee, the Fiscal Committee and the Committee on International Loan Contracts. On all of them, some of the States in the Pacific area are represented. They are expert bodies, the members of which attend in an advisory capacity ; their terms of reference are determined by the Council and Assembly, and they study such problems as are referred to them by these directing organs of the League.

### FINANCIAL COMMITTEE.

In the past fifteen years, the Financial Committee has been mainly occupied in tasks of financial reconstruction in Europe referred to it by the Council on the request of Governments which have found themselves in financial or monetary difficulties. In this way, it has given advice on such matters as budgetary reform, the creation of central banks, the stabilisation of currencies, etc. It has also on two occasions advised Governments on such special problems as the settlement of refugees.

It has, however, investigated one subject of general interest — namely, fluctuations in the purchasing power of gold. The results of this enquiry and a great deal of the expert evidence on which it was based were published, and the documents relating to it are shown in an annex.

## FISCAL COMMITTEE.

The Fiscal Committee's work has been confined to general questions in a special technical field rather than to concrete tasks in individual countries. It is the advisory organ of the Council in fiscal matters, and is, in principle, responsible for the study of all questions relating to taxation. It deals, in particular, with the following points :

(1) The periodical examination of the general situation in regard to problems of double taxation and administrative assistance, with a view to the recovery of taxes and the framing of reports on such questions ;

(2) The preparation of model bilateral or multilateral Conventions and their revision ;

(3) The preparation of all other international measures designed to eliminate double taxation and to ensure a better distribution of fiscal burdens ;

(4) The comparison of fiscal systems ;

(5) The preparation of a general conference ;

(6) The study of all cognate questions of international law, such as reciprocity and the relation between the most-favoured-nation clause and questions of double taxation.

On this Committee, also, there are experts sent by Governments in the Pacific area.

So far, the main task of the Committee has been to draw up a model bilateral Convention, as a result of which a very large number of such Conventions have, in fact, been concluded in many parts of the world. Moreover, under the general supervision of the Committee, an enquiry financed by the Rockefeller Foundation was made on the taxation of foreign and national enterprises. Its results have been published in five volumes, the titles of which are given in the annex, which contain :

(a) A general description of the income-tax system, and in some cases the system of taxing capital, dealing with the fundamental principles governing liability to taxation, etc. ;

(b) A study of the methods of taxation applied to income from debts, negotiable securities, patents and other intangible property, real estate, salaries and wages, industrial and commercial profits, according to whether they are obtained by foreign or national enterprises and whether they are drawn from the country itself or from abroad ;

(c) A study of the provisions applicable to the taxpayer's accountancy, various methods of apportionment—e.g., gross profits and net profits between branches and head offices. This is followed by a description of concrete cases;

(d) In the fourth volume, the particulars contained in the first three volumes are classified, and practical conclusions are drawn ;

(e) In the fifth volume, certain rules are suggested in the accountancy of international enterprises and their branches.

In the detailed examples given throughout these volumes, the taxation systems of a number of countries in the Pacific area are, of course, treated.

#### COMMITTEE ON INTERNATIONAL LOAN CONTRACTS.

A Committee consisting of legal and financial experts has recently been set up to devise improvements in international loan contracts issued by Governments or other public authorities, and, in particular, to prepare typical arbitration clauses. Here, again, some of the countries in the Pacific area are represented. The work of this Committee has a wide general interest. Recent experience has shown that the controversies between creditors and debtors often arise from uncertainty and imperfection in clauses inserted in international loan contracts. Usually, one particularly serious gap in such contracts is the absence of any clear definition of what is competent jurisdiction to deal with disputes between parties.

Another question which arises in connection with the subject is the organisation of some legal form of representation for the bondholders of a given loan.

In view of the nature of the subject, the work of this Committee is likely to be prolonged over some months, but a report will probably be issued next year.

### FINANCIAL SECTION.

The Financial Section of the Secretariat of the League provides the Secretariat for these and similar Committees. It collects the information which they require and prepares technical studies. Its members are often formally responsible for definite parts of the work. Members of the Secretariat and members of the Section, either alone or in association with others on the Committee, have taken part in delegations to make enquiries in countries seeking the League's advice.

Moreover, the Secretariat has sometimes, on the request of Governments to the Council or to the Secretary-General, found experts in one special field or another in which a Government desired advice.

### THE ECONOMIC INTELLIGENCE SERVICE.

The Economic Intelligence Service consists of a group of research workers and statistical and clerical assistants which has been gradually built up in the last twelve years according as one subject or another demanded investigation. It will be convenient to treat this part of the work in three sections: the first, a general account of the regular publications of the Service (a list of which is given in the Annex) and the circumstances which have given rise to them; secondly, the work entailed by the International Convention on Statistics; and, thirdly, the remaining work of the Service, special enquiries, etc.

#### (a) *Regular Publications.*

It should be made clear at the outset that these publications are intended for the widest use. They are a compendium of statistical information supplemented by commentaries designed to elucidate the statistics and to bring into relief the economic and financial problems of the period to which they refer.

The extent and accuracy of the information available varies, of course, from country to country and from one subject to another. But the aim has been to make these publications as complete as possible and, above all, to enable the student to gather from them not only a knowledge of this or that country or continent, but to obtain something like a world view.

The statistics are naturally grouped by countries and continents. But the information they contain can be readily extracted and regrouped in such a way as to illustrate the position of a given group of countries — *e.g.*, in a given area — and to illustrate the problems which may be peculiar to such a group.

The following account will show in greater detail the nature of the information given on each subject in these publications, a complete list of which is given in the Annex. But, in order to understand them, it is necessary to consider in the first place how they have gradually come into being.

The earliest economic publications of the League were those prepared for the International Financial Conference which took place in Brussels in 1920. This Conference declared, in its opening resolution, that the first step in financial reform "is to bring public opinion in every country to realise the essential facts of the situation, and particularly the need for re-establishing public finance on a sound basis as a preliminary to the execution of those social reforms which the world demands". It urged, therefore, that the work of collecting and publishing at regular intervals the essential information concerning the financial situation of the world should be undertaken forthwith and developed.

Since that date, in accordance with this recommendation, a long series of financial and economic publications has been issued. The choice of subject and the manner in which the subjects have been treated have always been determined primarily by the consideration that the essential object of this work was to inform public opinion on immediate and vital problems. The first memoranda prepared therefore dealt with the questions of public finance, currency and, as the various currencies became stabilised and new banks were founded, with the central banking position.

The memoranda on public finance contained a review of each country, prefaced by notes on its budgetary system

drawn up, as far as possible, on comparable lines. The amount of detail given necessarily varied, but for most countries the following basic tables were prepared : summary of recent budget accounts ; analysis of revenue ; analysis of expenditure ; position of public monopolies and public undertakings ; public debt, foreign and domestic, and, whenever possible, State assets, as well as the revenue and expenditure and debt of the local authorities.

The memoranda on currency and central banks, which were at first separate and afterwards fused, contained statistics of note circulation, foreign assets, reserves, deposits, discount rates, clearings, prices, etc., as well as summaries and analyses of about fifty central banks. The currency history of the post-war years was reviewed in an Introduction, and the currency systems in force in each country and recent changes therein were explained in notes. There were brief notes on the method of calculating all the important index numbers of wholesale prices.

In 1920 and the years immediately following, the gravest difficulties that the various countries had to face were primarily national in character. The attainment of budgetary equilibrium or the stabilisation of domestic currencies could only be assisted by international action after certain indispensable national measures had been adopted ; but, gradually, the international aspect of the financial problem became more important, and the third Assembly of the League of Nations accordingly passed a resolution to the effect that " a study of the various questions connected with the stabilisation of currencies, and, in particular, that of the foreign trade balance and balance of payments of various States . . . be actively pressed forward so as to lead to the publication of reports which will throw light on this question ".

In compliance with this resolution, the publication of what have now become the following three annual volumes on international balance of payments and foreign trade was initiated in 1924.

### *Review of World Trade.*

This volume contains a brief analysis of the movement of trade, with summary tables showing the trade of the most

important countries in the previous years. The trade of certain individual countries and groups of countries is treated in separate chapters, as also trade balances, trade by commodities, direction of trade, changes in import and export prices and in the quantum of trade.

### *Balances of Payments.*

This volume contains estimates of the international transactions (e.g., trade in goods and services, gold, long- and short-term capital operations) and of the outstanding international liabilities and assets of about thirty countries, together with notes explaining the methods employed in calculating certain of the figures. The majority of the estimates refer to the two preceding years; for purposes of comparison, figures for a number of earlier years are also given. In a general chapter, the international movements of capital and their relation to relative prices, interest and dividends, freights, emigrants' remittances and tourist expenditure are summarised.

### *International Trade Statistics.*

This volume contains detailed trade statistics of sixty-four countries, showing imports and exports of merchandise and of bullion and specie, imports and exports by countries, by principal articles and by classes of commodities (Brussels classification, 1913). A synoptical table shows the percentage distribution, by countries of provenance and destination, of each country's imports and exports.

### *World Production and Prices.*

In preparation for the World Economic Conference in 1927, a study of production and trade was prepared which the Conference desired should be continued as an annual publication. This has now become the volume called *World Production and Prices*.

It contains an analysis of the changes in the world output and stocks of raw materials and foodstuffs, in the world's industrial activity and, finally, of price movements and relationships. It includes the index number of world production of raw

materials and foodstuffs calculated by the Economic Intelligence Service of the League and an international index of industrial production, together with statistical material — e.g., national industrial production indices for some twenty countries, data comparing production of investment and consumers' goods, and indices of activity of important groups of industry in a large number of countries.

The chapter on prices contains an analysis of the movement of wholesale prices in various groups of countries; comparisons are made between the evolution of gold and sterling prices, raw materials and finished products, international and domestic goods, investment and consumption goods, etc.

Apart from the volume on production and prices, a large number of special studies were made for the Economic Conference of 1927. They included a summary memorandum on various industries, a study of trade-level indices, an annotated list of contemporary export duties, notes on marks of origin, subsidies, differential import taxes, foreign-exchange control, *ad valorem* duties, variation of tariffs in accordance with origin and destination, consular charges, unfair commercial practices and immunities of State enterprises; and special studies on certain industries — coal, iron and steel, cotton, shipbuilding.

### *Statistical Year-Book.*

The above publications, the series of special memoranda written for the World Economic Conference in 1927, and, in addition, the special reports published with reference to, for instance, the economic situation and financial reforms in Austria, Hungary or Estonia, embraced a very considerable volume of economic information with reference to the world as a whole, and the Council of the League considered that it would be advisable to summarise the most important information thus scattered through a number of publications into a single volume, and, in accordance with its recommendation, a *Statistical Year-Book* was for the first time compiled in 1927.

It gives official statistics for all countries of the world and covers, *inter alia*, the following subjects :



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Information Section.

Demographic statistics (territory, state and movement of population) ;

Labour conditions (unemployment, strikes, wages, etc.) ;

Production (output of agricultural products, minerals, metals, chemicals, electricity, etc.; index numbers of industrial production) ;

International trade and balances of payments ;

Transport (shipping, railways, motor vehicles, etc.) ;

Public finance (budget accounts, public debt) ;

Monetary and banking statistics (note circulation, gold stocks and reserves ; capital issues ; discount rates, bank deposits ; prices of shares ; exchange rates, etc.) ;

Prices (index numbers of wholesale and retail prices ; price quotations in gold francs).

This publication usually comes out in May.

In most cases, statistics are brought up to the end of the preceding year and are reduced to a common denominator of measure or value. In addition, tables are given showing the equivalents of national currencies, weights and measures.

### *Money and Banking.*

In recent years, it has been thought desirable to supplement the early volumes on public finances by a study of commercial banking. It was first issued in 1931 and has now become annual.

It contained a general introduction, in which the main features of commercial banking in different parts of the world and the developments noticeable in post-war years are analysed, and chapters dealing separately with banking in some thirty countries (balance-sheet position ; earnings, expenditure and profits ; character and composition of assets and liabilities ; main provisions of the banking legislation in force).

In 1936, this volume will, for the first time, be split into two ; the first will be called *Monetary Review*, and will contain a general survey of the principal events in the monetary and banking fields during the preceding year. The second will preserve the former title of *Commercial Banks* and will contain detailed accounts of the banking systems of most

countries in the world, including, of course, most of the countries in the Pacific area.

### *Public Finance.*

In recent years, the publication of the *Memorandum on Public Finance* has been suspended owing to pressure of work, largely in connection with the study of budgetary control of armaments and the preparation of statistics for the Disarmament Conference.

At the end of last year it was, however, resumed, but in a somewhat different form. It is being issued in a number of parts, each relating to one country and containing a description and analysis of the ordinary and extraordinary budget, the principal items of revenue and expenditure, the public debt, etc. Some twenty parts have been issued, and it is hoped to complete the series, which it is intended shall cover the whole world, by next year. All the countries in the Pacific area will, it is hoped, be covered.

### *World Economic Survey.*

In 1930, the Assembly, impressed by the seriousness of the economic crisis, asked for a study of the course of phases of the depression, which was published in the following year. As a result, the next Assembly considered it desirable that an annual report should be made surveying economic conditions. Since then, the *World Economic Survey* has been regularly issued.

It attempts to give a clear and connected story of the developments of the preceding twelve months, but one which should be valuable, not only to the layman, but also to specialists.

Use is made of statistical information regarding prices, production, international trade, public finance, wages, employment, profits, etc., collected by the Economic Intelligence Service of the League of Nations.

### *Monthly Bulletin of Statistics.*

All the publications mentioned above are issued at intervals of a year or more, and the consequent gap in the

information is filled by the *Monthly Bulletin of Statistics*, which contains a collection of the most important monthly economic statistics available. Most of the information regarding oversea countries is sent by telegraph by the Governments co-operating in its production. The primary intention of this *Bulletin* is that it should serve as a collection of indices of the changes in economic prosperity.

The tables give, in respect of a great number of countries, the principal statistics relating to production (industrial, mining and metallurgical); railway freight traffic; imports and exports (values in gold dollars, in national currencies, trade in weight); indices of wholesale prices, cost of living and quotations of industrial shares; finance (exchange rates and prices of gold, official and market rates of discount, gold reserves, notes in circulation, deposits in commercial banks and in savings banks, capital issues); employment and unemployment.

Special tables and graphs are also given which relate to subjects of special interest at the moment, such as depreciation of certain currencies in relation to their gold parity; wholesale prices in francs, dollars and sterling; gold stocks; production of gold and silver; production indices of certain groups of industries; movement of world trade; prices of commodities; stocks of certain important goods; world's merchant marine; movement of shipping; number of bankruptcies; percentage yield of bonds; tourist expenditure, etc.

An introduction of two or three pages gives information on special statistics and on changes made by the various countries in the methods employed in drawing up the economic and financial statistics reproduced in the *Bulletin*.

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From the foregoing observations the essential characteristics of the economic publications of the League and the policy which has guided its work in this connection have to some extent been indicated. In the first place, that policy has been the object of the Economic Organisation to concentrate on the particular problems which were of vital importance at the moment; but, while it has been the intention of the Economic Organisation to inform the public, it has not

endeavoured to mould public opinion. The scientific character of the economic publications has not, therefore, been sacrificed to purely popular exposition. An attempt has been made to study the various problems selected at once as profoundly and as widely as conditions permitted, and to interpret and express the results of the enquiries with scientific accuracy. But the final digestion of the facts collected has been left to the financial Press and popular economic writers.

Secondly, a logical sequence has been pursued in the choice of subject, a sequence which, as we have seen, has run parallel to the actual course of post-war economic development. Thus, there has been a progression from the national questions of public finance, inflation, deflation, etc., to those of international accounts, international trade, the movement of capital and the effect thereof on the rate of interest ; from currency questions in their narrower sense to those of the central banks and, later, joint-stock banks ; from international trade to production. The documentation which has been prepared for the Economic Conference will be found to be a natural complement to the works which had already been issued before the Conference.

The whole of the work demanded, of course, the active co-operation of the Governments of the various Member States, and it is thanks to the willingness with which their assistance has been rendered that its execution has proved possible.

It must be remembered, however, that the whole undertaking represents a new endeavour. These world surveys have no precedent. They are dependent for their success on the gradual improvement of the data on which they are based. Simultaneously with the work of study and publication, therefore, the Economic and Financial Organisation has endeavoured to promote the collection of information on a comparable basis and the promotion of natural economic studies. Such information is essential to the world economics of the future.

(b) *International Convention relating to Economic Statistics and Committee of Statistical Experts.*

At the end of 1928, an International Conference attended by forty-two States met at Geneva and adopted a Convention on economic statistics.

The Conference was the outcome of protracted preparatory work initiated in 1922 by the Economic Committee on the instructions of the Council. This work was conducted throughout in close co-operation with the International Institute of Statistics. At later stages, the help of the International Institute of Agriculture and the International Chamber of Commerce also contributed largely to its success.

A Convention and Protocol were adopted at the close of the Conference and have been signed by many States, including several in the Pacific area.

The Convention on Economic Statistics covers a very wide field, involving definite obligations in respect of both the scope of national economic statistics and the methods to be applied in the compilation of statistics of international trade. It provides, further, for the adoption of certain guiding principles in the compilation of statistics of fisheries, of mineral and metallurgical output, of indices of industrial activity and of censuses of industrial and agricultural production.

The minimum programme of economic statistics which the signatory States undertake to publish embraces the occupied population, the land on which, or the establishment in which, that population is occupied, the products of their industry, the international exchange of those products and the variations in their prices.

With regard to the methods to be applied in the compilation of statistics of international trade, not only was agreement reached on the vexed question of the definition of the terms of general, special and transit trade, but systems of valuation, generally uniform in nature, will in future be applied, and the statistics themselves will relate to the whole political territory of the several States (*i.e.*, including free ports, free zones, etc.) and not merely the Customs area. These provisions will go far to remedy the present lack of comparability between the national statistics of external trade.

The Convention was so drafted as to apply with a degree of obligation which varies according both to the class of statistics and to the economic or statistical development of each country. The obligation assumed by the most advanced countries is wider than that assumed by those for whom the adoption of the minimum programme will in itself constitute a definite advance. It was possible by this means to reduce the number of reservations to a minimum. The Convention provided for the appointment of a Committee of Technical Experts, on which several of the States in the Pacific area are represented.

It has the following general functions :

“ The Committee of Experts may make any suggestions which appear to it useful, for the purpose of improving or amplifying the principles and arrangements laid down in the Convention concerning the classes of statistics dealt with therein. It may also make suggestions in regard to other classes of statistics of a similar character in respect of which it appears desirable and practicable to secure international uniformity. It shall examine all suggestions to the same end which may be submitted to it by the Governments of any of the High Contracting Parties.”

Questions in connection with the following subjects are being studied :

- (1) External trade ;
- (2) Occupations ;
- (3) Agriculture, live-stock, forestry and fisheries ;
- (4) Mining and metallurgy ;
- (5) Industry ;
- (6) Index numbers of prices ;
- (7) Amplification of the Convention.

(c) *Enquiry, Special Studies, etc.*

Apart from the information which it publishes, the Economic Intelligence Service is constantly making special studies. This part of the work falls under the following headings :

- (1) A participation in other international work done under

the auspices of the League of Nations. The Service supplies statistical material or makes special enquiries for certain League Committees — e.g., the Financial Committee, regarding countries which have sought advice from the Council ; the Economic Committee ; the Committee for the Allocation of the Expenses of the League among its Members ; the Central Opium Board ; the Disarmament Conference, on the budgetary control of armaments. It contributes material to the *Armaments Year-Book* on national defence budgets.

(2) Requests for information from international institutions of an official or semi-official character or from private persons engaged in research work. Thus, for instance, the Service contributes to the *Year-Book* of the International Institute of Agriculture at Rome, collaborates with the International Institute of Statistics, and a member of the Service attends the Committee on Production of the International Chamber of Commerce. As typical illustrations of the requests for information received from other sources may be mentioned the following : the Montpellier Institut de Chimie, on the output of radium ; the International Union of Tramways, Railways and Motor Public Transport at Brussels, for statistical material on railways ; the Imperial Economic Committee, London, for statistics of live-stock slaughter.

(3) Requests from individual Governments for information or advice on special problems. For instance, both the Greek and Bulgarian Governments have recently asked for criticism of draft legislation on public accountancy. In the same way, an official of the Service some time ago gave technical advice on problems of Customs statistics arising from the delimitation of the frontier between Lithuania and Memel.

(4) When the Assembly, in 1930, asked for a study of the cause and phases of the economic depression, it also expressed the view that the whole phenomenon of the recurrence of economic cycles required investigation. In subsequent years, however, it was not possible on financial grounds to implement this resolution. In these circumstances, the Rockefeller Foundation has made a grant for a special study to be made of this difficult and obscure subject. The enquiry will probably last for some years, but an interim or provisional report is likely to be issued this year.



A discussion among a group of economists took place at Geneva from June 29th to July 2nd, 1936, regarding this enquiry.

The enquiry so far has taken the form of an attempt to analyse the different theories of the business cycle, and to set out synthetically its nature and causes. The economists offered their advice to the Service with regard to the further conduct of the enquiry.

#### ANNEX.

1. Various gold documents :
    - Legislation on Gold ;
    - Selected Documents (2 volumes) ;
    - The Functioning of the Gold Standard ;
    - Provisional Report of the Gold Delegation of the Financial Committee ;
    - Second Provisional Report ;
    - Report of the Gold Delegation.
  2. Five volumes on fiscal work entitled " Taxation of Foreign and National Enterprises ".
  3. Publications of the Economic Intelligence Service :
    - Statistical Year-Book of the League of Nations* ;
    - Review of World Trade* ;
    - Balances of Payments* ;
    - International Trade Statistics* ;
    - World Production and Prices* ;
    - World Economic Survey* ;
    - Money and Banking (formerly Commercial Banks)* ;
    - Public Finance* ;
    - Monthly Bulletin of Statistics.*
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## V. ECONOMIC RELATIONS.

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### 1. PRESENT PHASE OF INTERNATIONAL ECONOMIC RELATIONS.

In 1935, just before the Assembly met, the Economic Committee (forty-third session) submitted to the Council a general report on the present phase of international economic relations.<sup>1</sup>

In this report, the Committee endeavoured to show, by means of familiar examples drawn from everyday life, that the economic interests of each individual country are very closely bound up with international economic interests, and that it is an unnatural, not to say dangerous, proceeding to draw too hard and fast a line between home trade and foreign trade.

Examining the restrictions imposed by most countries with the object of shutting out foreign imports, the Committee set out to prove that such measures do not achieve their purpose and must, when they are too severe, inevitably increase the embarrassments of the country applying them and of the international community.

After pointing out that the danger of continuing along these lines is far greater than any momentary disadvantage that might follow the lowering of trade barriers (and in particular a less frequent resort to quotas), the report devoted a separate chapter to certain aspects of the monetary situation which disturb the traditional concepts that have hitherto formed the basis of international trade.

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<sup>1</sup> Document C.344.M.174.1935.II.B.

This chapter ends with the following reflections, which still apply with full force :

“ In the meanwhile, genuine signs of convalescence are beginning to appear. This tentative recovery, however, has to rely upon a machine which has suffered serious damage and whose cogs no longer fit. The machine is in urgent need of overhauling. It is to be hoped that, as soon as circumstances — political and other — permit, the position will be examined objectively, in the first place by the countries chiefly concerned, with a view to ascertaining whether opinion on either side has progressed sufficiently for it to be possible to contemplate for a stated period a *modus vivendi* in which monetary and commercial factors would both play their part.

“ The position is too chaotic and the future too uncertain for it to be possible to consider permanent or even long-term arrangements. If found to be worth while, temporary co-operation could, without difficulty, be transformed into permanent co-operation, but at first it must be sufficiently elastic in form to enable the parties to resume their freedom of action, should that prove necessary.

“ Co-operation in monetary matters alone — to which allusion is frequently made in the Press — would, of course, mark a considerable advance on the present position, but the dangers of disequilibrium would still be such that it would appear very doubtful whether such a step could be seriously entertained.”

The Assembly endorsed these conclusions and urged a return to a more liberal economic policy, recommending the conclusion of bilateral agreements based on the most-favoured-nation principle.

Very few of the commercial treaties that have been signed since September 1935, however, can be said to be based on liberal principles, with the exception of those concluded by the United States of America in conformity with the new commercial policy inaugurated by them in 1934, which happens to be in harmony with the Assembly's recommendations.

On the other hand, the restriction of imports by means of quotas is still being practised on a wide scale ; more countries have taken to controlling foreign exchange transactions ;

the number of clearing agreements — which are an inevitable consequence of foreign exchange control — has still further increased (even the United Kingdom, which had until then been radically opposed to this kind of agreement, recently concluded one with Spain); and the unlimited and unconditional most-favoured-nation clause has lost further ground.

On the whole, in spite of what seems to be the beginning of an economic revival, there has been no appreciable improvement in international trade relations since September 1935.

The Economic Committee has up to the present refrained from holding a further meeting, in the hope that some change might take place which would allow it to make a useful contribution to the development of international trade. Such has not been the case, however. It has therefore decided to postpone its forty-fourth session until next September, in the hope that in the meanwhile the present rather confused political situation will have evolved sufficiently to create a more favourable atmosphere for the Committee's proceedings.

Important events which could not fail to exert considerable influence upon the general character of the Committee's report are also possible in the monetary sphere, and the Committee would no doubt prefer to be able to take into account the resulting developments, the probable trend of which cannot at present be discerned.

## 2. ENQUIRY ON CLEARING AGREEMENTS.

The sixteenth Assembly gave considerable attention to the report<sup>1</sup> issued in March 1935 by the Joint Committee of representatives of the Economic and Financial Committee set up to conduct "an enquiry into the causes, scope, methods and results of compensation and clearing agreements". The latter's findings met with fullest approval, the Second Committee particularly endorsing its conclusion that "the clearing system cannot be more than an expedient or makeshift involving numerous drawbacks, and that it should therefore be abolished as soon as possible".

On the Committee's proposal, the Assembly, on September

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<sup>1</sup> Document C.153.M.83,1935.II.B.

28th, 1935, adopted a resolution suggesting " that the Council should consider the desirability of organising in a suitable manner, in co-operation with the Bank for International Settlements, a consultation by competent persons with a view to devising means for promoting the application of the suggestions made by the Joint Committee". At its meeting in January 1936, however, the Council took the view that circumstances were then unsuitable for any such consultation, and left the decision as to when it should be undertaken to its President acting in conjunction with its rapporteurs on economic and financial questions, who, when the time came, would also select the persons to be approached.

Circumstances having remained unchanged, the President of the Council has not, as yet, come to any decision in the matter.

### 3. TOURIST TRAFFIC AS A FACTOR IN INTERNATIONAL ECONOMIC AFFAIRS.

In August 1934, the Economic Committee decided, in view of the increasing attention paid to foreign tourist traffic in the economic policy of certain countries, to make this matter a permanent item on its agenda, so that it might, in due course, take such steps as it thought desirable to maintain the best possible conditions for the movements of tourists and the money they require.

From the outset, the Economic Committee realised that circumstances were not very favourable. For some years past, under the influence of the economic depression, many countries have found themselves obliged to control dealings in foreign currencies. These regulations have grown more and more restrictive as financial difficulties increased, and are now the most serious hindrance to international tourist traffic. To defend their interests, countries visited by tourists are obliged to negotiate bilateral agreements with countries that limit currency exports. By so doing, they seek to maintain, in part at least, a tourist traffic which their hotel industry requires, and they offer, by way of compensation, to buy more goods in the countries from which the tourists come.

But this extension of the treaty regulation, of commercial

policy to the movements of individuals, this tendency to canalise and direct them, is not unaccompanied by serious drawbacks. Though persons interested in the tourist traffic admit that that traffic must necessarily be influenced by financial and economic factors, their main desire is to preserve it from a similar course of evolution. Various ideas have been mooted, but none has so far brought about any appreciable improvement in the conditions that are restricting the traffic.

The Economic Committee observed that tourist statistics are by no means so complete as to afford an accurate idea of the real extent of the hindrances to the traffic. Consequently, it decided to submit this question to experts, and requested the Council to draw the attention of the Committee of Expert Statisticians (set up by the Convention of December 14th, 1928) to the defects in the methods of compiling tourist statistics and the desirability of improving and standardising them. This Committee of statisticians now has the question under consideration and is endeavouring to discover remedies.

The Economic Committee has also set up a Sub-Committee of Experts, consisting mainly of directors of the national tourist offices of the countries most directly concerned in resuscitating the international tourist traffic and of representatives of great international tourist organisations. The Committee has asked this Sub-Committee for its opinion as to what can be done to improve conditions.

The experts sat at Geneva from October 21st to 24th, 1935, and carefully discussed various international tourist traffic questions in the light of the present economic situation. Briefly — as regards the obstacles created by the economic depression — they reached the conclusion that interventionist methods had in most cases accentuated the difficulties of international tourist traffic and had made the position of the undertakings concerned worse than before. They held, therefore, that, though there might, in present circumstances, be some justification for certain agreements, such agreements should be strictly provisional; the final aim must, in every case, be to restore the complete freedom of international tourist traffic.

As most of the technical questions connected with tourist traffic have already been discussed and studied by other

bodies, the experts merely approved the general tendency of these enquiries and expressed the hope that they would be pursued as energetically as the most directly concerned parties desired.

The meeting of experts proved how unfavourable present circumstances are to efforts to resuscitate international tourist traffic. It also clearly showed how necessary it is to continue unremittingly the preliminary work of collecting facts.

#### 4. NUTRITION.

As a result of a motion put by the Australian delegation to the last Assembly (September 1935), the problem of nutrition, in its relations with public health on the one hand and economic and social systems on the other hand, was the subject of thorough discussion. The Assembly adopted a resolution requesting the Council :

“ (1) To invite the Health Organisation of the League of Nations to continue and extend its work on nutrition in relation to public health ;

“ (2) To instruct the technical organisations of the League of Nations, in consultation with the International Labour Office and the International Institute of Agriculture, to collect, summarise and publish information on the measures taken in all countries for securing improved nutrition ; and

“ (3) To appoint a committee, including agricultural, economic and health experts, instructed to submit a general report on the whole question, in its health and economic aspects, to the next Assembly, after taking into consideration, *inter alia*, the progress of the work carried out in accordance with paragraphs (1) and (2) above.”

In execution of paragraph (2) of the above resolution, the Secretary-General requested the Governments to forward, in the form of a general statement, all the information which appeared to them to have a direct bearing on the improvement of nutrition.

The Secretary-General directed special attention to a number of questions, viz. :

“ (a) Practical measures taken by the central and by the local authorities to ensure an improved dietary for various population groups, such as : mothers and infants, school-children, inmates of institutions, industrial workers and agricultural labourers, unemployed, persons in receipt of relief, etc.

“ (b) The same question with regard to the work of private organisations (co-operative societies, employers' and workers' associations and the like).

“ (c) Have the public authorities any means (and, if so, which?) of testing the prevailing level of nutrition, more especially with a view to ascertaining whether certain parts of the population are under-nourished ?

“ (d) Methods applied for the collection of information on nutrition. In what form is this information presented (by occupational groups, income groups) ?

“ (e) What are the dietary standards laid down for certain groups of persons whose food is provided by the public authorities — e.g., army, navy, employees and workmen, inmates of institutions, etc. ?

“ (f) Are the public authorities or private organisations doing anything to disseminate among the public a knowledge of the principles and practice of rational nutrition ? ”<sup>1</sup>

In pursuance of paragraph 3 of the Assembly resolution, the Council appointed a Mixed Committee on the Problem of Nutrition, which held two sessions, in February and June 1936, with Lord Astor in the chair.

The Mixed Committee on the Problem of Nutrition has already published its interim report,<sup>2</sup> which will be discussed at the forthcoming Assembly (September 1936). This report to the Assembly comprises four volumes :

Volume I is the report proper, embodying the suggestions

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<sup>1</sup> The essential elements of the above documentary material are collected together in a single volume (document A.12(b).1936.II.B, Volume II).

<sup>2</sup> Document A.12.1936.II.B, Volumes I, II, III and IV.



made by the Mixed Committee to the Assembly and giving a general idea of the problems involved.

Volume II, *Report on the Physiological Bases of Nutrition*, contains a report drawn up by the Technical Commission of the Health Committee. This Commission first met in London in November 1935. The conclusions at which it arrived were submitted to the first session of the Mixed Committee and formed the starting-point of its consideration of the scientific aspect of the nutrition problem. This is now presented in a revised and amplified form as a result of a meeting held by the Technical Commission in June 1935.

Volume III, *Nutrition in Various Countries*, gives the substance of the actual data received by the Committee, including the essential portion of the information contained in the replies of certain Governments to the Secretary-General's circular letter of November 30th, 1935. It also contains a survey of developments in popular dietaries in a number of countries since the war. In addition, there will be found in this volume the report of the Sub-Committee appointed by the Mixed Committee to examine the available statistical material concerning the consumption of foodstuffs.

Volume IV, *Statistics of Food Production, Consumption and Prices*: a document prepared by the International Institute of Agriculture, which contains valuable material assembled by that Institute at the request of the Mixed Committee, reviewing the available statistics of food production, consumption and prices.<sup>1</sup>

The problems involved in the question of making available a proper dietary for working people vary from country to country. In many instances, malnutrition has appeared as one of the more serious results of the crisis, spread of unemployment and the decrease in consuming power. In no country, however, does the whole population enjoy the minimum basic standard of nutrition which scientific investigation has shown to be essential to the maintenance of good health. Even in countries where the results of the crisis

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<sup>1</sup> The report of the Mixed Committee also refers to the report submitted by the International Labour Office to this year's session of the International Labour Conference, entitled "Workers' Nutrition and Social Policy".

have been relatively less severe, important sections of the population are underfed.

Modern science has revealed the great importance for health of the so-called "protective" foods. These include dairy products, meat, milk, eggs, cheese, fresh vegetables and fresh fruits. Lack of knowledge about the essentials of a good dietary has been almost as serious a cause of widespread malnutrition as lack of purchasing power.

A general improvement in nutrition would have important results upon agricultural production. It would lead to an increased demand for certain foodstuffs which could be produced locally. It is obviously to be desired that fresh milk, fresh vegetables and fresh fruit should be produced near the markets where they are sold. In the countries of large populations, agriculture is already adapted to the development of such local production.

## 5. AGRICULTURAL PROTECTIONISM.

The Economic Committee, in July 1934, instructed the Secretariat to make a study of the consequences in industrial countries of agricultural protectionism and the effects of this policy on countries engaged mainly in agriculture. The Assembly, moreover, in September 1934, laid special emphasis on the extent to which the demand of agricultural countries for industrial goods was limited by their inability to sell their products in industrial countries which were protecting their agriculture, and its Second Committee, in a report adopted by the Assembly on September 26th, 1934, observed that an investigation of this problem might contribute towards elucidating the reasons for certain existing economic difficulties and possibly point to some method of reviving international trade.

The Economic Committee discussed the problem in the light of a note submitted by Sir Frederick Leith Ross, reviewing the history and results of agrarian protection in Europe during the post-war period; of a number of observations, notes and memoranda submitted by the members of the Economic Committee and the agricultural organisations of the different countries; and of a note prepared by the Secretariat on the

general evolution of agriculture during the late nineteenth century and the pre-war period.

Sir Frederick Leith Ross observed at the conclusion of his memorandum that the principal industrial countries of Europe had, since 1925, been stimulating the domestic production of agricultural commodities at artificially high prices. In order to maintain these prices, they had restricted imports of agricultural produce from the more economic agricultural producers of the world. The agricultural countries, owing to the decline in their income from agricultural exports, had been obliged to reduce their imports of manufactured products from the industrial countries and to develop local industries under a system of protection. The distress created for efficient agricultural producers by the loss of their markets for agricultural products in the main European industrial countries had resulted in a corresponding distress for the efficient industrial producers in Europe, owing to the loss of their markets in the agricultural countries and to a general impoverishment of the whole world.

Sir Frederick Leith Ross concluded as follows :

“The present world crisis is the composite result of many different causes ; but one of the measures which would indubitably promote world recovery would be the gradual relaxation of the present intensive agrarian protectionism of the industrial countries of Europe and its replacement by a system comparable with that which prevailed before the war. No time, however, must be lost ; each year that passes creates vested interests which become more and more difficult to uproot and drives more deeply into the economic structure of the world the tendencies summarised above. It is surely in the interests of all countries to promote as rapidly as possible a more economic system of production and interchange of commodities between the industrial and the agricultural countries.”<sup>1</sup>

A report on agricultural protectionism, embodying the results of the study, to which were appended the notes

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<sup>1</sup> Document C.178.M.97.1935.II.B, Annex.

submitted by Sir Frederick Leith Ross and by the Secretariat, was placed before the Council on May 24th, 1935.<sup>1</sup>

It presents the consequence of the increasingly strict measures applied by Governments for the protection of their national agriculture, more particularly during the last five years. Such measures include the introduction of duties two or three times higher than world prices, strict rationing, a progressive reduction of the proportion of foreign products admitted in various preparations, bounties for production, export bounties, monopolies and various other forms of planned economy. The consequence of these measures, applied more particularly by the big industrial countries, is a considerable reduction amounting, in some cases, to the total exclusion of agricultural imports.

The report assumes that, in considering the problem of agricultural protectionism, it is hardly fair to apply the abstract standards of pure economic criticism, and that nations as a whole, for social, historical and psychological reasons, should be prepared to afford special assistance to their agricultural classes. It is contended, however, that the application of methods of protection are only useful when they do not exceed certain limits and that over-protection inevitably leads to the impoverishment and distress of the very classes in the interest of whom it is adopted and applied. It is contended that the remedy for existing evils lies in a gradual return to the moderate form of protection which was the rule in the past and which achieved its purpose without involving, for the national systems of economy or for international relations, the dangers and disadvantages inherent in the present excessive restrictions.

The representative of Poland, as Rapporteur, emphasised the importance of the study and described its conclusions as moderate, constructive and persuasive.

The representative of Australia, expressing the hope that the question would receive the fullest attention of all Governments, observed that the document before the Council would need careful consideration by the Assembly and that its

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<sup>1</sup> Document C.178.M.97.1935.II.B. See also document C.195.1935.II.B: Eighty-sixth session of the Council, first meeting, Minute 3577, and fourth meeting, Minute 3592.

discussion by the Assembly would be of far-reaching importance to all the nations of the world.

The Council decided that the attention of Governments should explicitly be drawn to this report, and the Secretary-General was asked to recommend it to their serious consideration.

## 6. EXPORT AND IMPORT OF MEAT AND MEAT PREPARATIONS.

In accordance with a resolution of the Council dated September 17th, 1935, the Secretary-General asked the various Governments to send him, by May 1st, 1936, if possible, their observations on the provisions of a draft International Sanitary Convention relating to the International Trade in Meat and Meat Preparations,<sup>1</sup> which had been drawn up by a Committee of Experts appointed by the Economic Committee.

In this draft, the experts endeavoured to define the maximum guarantees which, in their opinion, countries importing these products would be justified in requiring on the importation of products originating in exporting countries parties to the proposed Convention. These guarantees should be twofold: (1) that the imported products, while retaining their nutritive qualities, involve no danger to public health; and (2) that they are not such as might constitute a source of contagion among animals.

When seeking to define the rules and methods of meat inspection and the essential conditions which should govern such operations, including transport, packing, handling and preparation, the experts endeavoured to reconcile technical needs with the variable and often peculiar conditions existing in most exporting countries and with the requirements of importing countries.

The Economic Committee, assisted by experts, should be able to put the finishing touches to the draft Convention,

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<sup>1</sup> The results of this Sub-Committee's work are set out in document C.3.M.3, 1936.II.B. o

in the light of such observations as Governments may wish to make, when a sufficient number of replies have come in. The replies so far received are, on the whole, favourable.

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The following is an account of work done with regard to questions upon which the Monetary and Economic Conference of London (July 1933) recommended further action.

(1) *Conventions on Veterinary Questions.*

The Monetary and Economic Conference, in its final resolution of July 27th, 1933, invited the Council to submit to an international conference three draft veterinary Conventions framed by the Economic Committee of the League. A preliminary meeting of representatives of the countries more directly concerned was held in October 1934 to make a final revision of the draft Conventions. On February 20th, 1935, a special meeting was held at Geneva and the delegates of nine countries signed the following three Conventions :

International Convention for a Campaign against Contagious Diseases in Animals ;

International Convention concerning Transit of Animals, Meat and Other Products of Animal Origin ;

International Convention concerning the Export and Import of Animal Products (Other than Meat, Meat Preparations, Fresh Animal Products, Milk and Milk Products).

The object of the first Convention is to ensure the establishment in the contracting countries, where they do not already exist, of effectively organised veterinary services such as will ensure adequate veterinary police measures and the execution of the provisions of the Convention. Further, concerted action is provided against the appearance and spread of contagious diseases of animals. Each contracting State is required to publish regularly a health bulletin in accordance with rules laid down in the Convention. Each contracting State must also notify the veterinary authorities

of the other contracting States as soon as possible of the appearance of certain contagious diseases regarded as especially serious. Finally, measures are laid down to ensure a close co-operation between the various national veterinary services in respect of the exchange of technical information and the admission of students and professors of one country to the institutions and laboratories of another country.

The second Convention provides that the contracting parties shall undertake to permit the transit of animals and of animal products originating in countries between which the first Convention is in force. Such permission is subject to certain conditions regarding the formalities to be fulfilled and the means of transport adopted. The object of these formalities is to avoid or diminish dangers of infection to which the countries of transit may be exposed by the transport of such cattle.

The contracting parties, under the third Convention, undertake to admit to free traffic products of animal origin other than those mentioned in the title of the Convention. Such admission is attended by guarantees, whose purpose is to avoid any danger of infection for the importing countries. Moreover, it applies only to products originating from countries which have ratified the Convention for the campaign against contagious diseases of animals.

Special provisions are included to cover the case of products originating from countries within whose territory certain contagious diseases have appeared.

The three Conventions remained open for signature until February 15th, 1936. On that date, they had been signed by the following countries: Austria, Belgium, Bulgaria, Czechoslovakia, France, Greece, Italy, Latvia, Netherlands, Poland, Roumania, Spain, Switzerland, Turkey and the Union of Soviet Socialist Republics.

## (2) *Phytopathological Questions.*

The Monetary and Economic Conference of 1933 requested the International Institute of Agriculture in Rome to study, with the assistance of specially qualified experts representing importing and exporting countries and with the assistance of the Economic Committee of the League, the scientific and

technical questions involved in the import and export of plants and other vegetable products.<sup>1</sup>

A report received from the International Institute of Agriculture on the results of a consultation of experts organised in accordance with this decision was considered by the Economic Committee during its forty-second session. The Committee, after noting an exchange of views between the Secretariat and the International Institute of Agriculture, decided that a small Committee of Experts, consisting of the nationals of the principal countries concerned, should be invited to consider the problem as a whole.

It will be the principal task of the Committee of Experts to determine, if necessary, common rules which will ensure to countries importing plants or vegetable products effective guarantees against the introduction among their crops or forests of dangerous diseases or parasites, but which will limit such temporary measures of prohibition as may be necessary in respect of imports to such as are essential to secure the purpose in view. The experts will also be invited to consider whether it is desirable or possible to establish or prepare special international agreements between a limited number of States covering specific kinds of plants or vegetable products for the exchange of which common rules may be adopted.

### (3) *Customs Questions :*

#### *Draft International Convention for the Purpose of facilitating Commercial Propaganda.*

In July 1935, the delegates of a number of countries met and revised a draft international Convention which had been prepared by the Economic Committee for the purpose of facilitating commercial propaganda and recommended its adoption. In the following September, the Council had before it a proposal to invite the same Governments to send representatives to a meeting which it was proposed to hold as soon as possible and at which the Convention was to be signed.

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<sup>1</sup> See Annual Report on the Work of the League for 1934 (Part I), document A.6.1934, page 53.



The Council was entitled to suppose that, as the Convention contained no provision touching on economic policy and as the delegates of the Governments represented at the meeting in July had duly recommended its adoption, those Governments would be in a position to reach a quick decision and to sign it. Though unambitious in scope, the instrument in question is designed to encourage trade by helping to make the exports of each country known in the others.

One of the Members of the Council, however, asked that, before the final meeting was convened, the Governments concerned should be consulted, in order to make quite certain that they were favourably disposed. This enquiry, which has been proceeding for several months, has not yet yielded complete results. Some of the Governments consulted have not yet replied or have proposed textual amendments which, though not fundamental, necessitate the consent of the other parties and thus involve delays that may compromise the results achieved.

#### (4) *Unification of Customs Nomenclature.*

A draft uniform Customs nomenclature was established under a decision adopted by the Council on September 1st, 1931, and, having been approved by the Assembly of that year, was sent to the Governments of all States Members and non-members of the League in November 1932, with a request for any observations which their competent departments might wish to submit. As these observations have come forward, the Sub-Committee of Experts for the Unification of Customs Tariff Nomenclature has begun to revise this draft uniform list.

The examination of the experts' draft has taken a long time in certain countries, particularly those which had no representative on the Sub-Committee. A careful study of the common nomenclature by various branches of the Administration had in many cases to be accompanied by consultations with industrial and commercial interests.

It seems probable that a final text of the draft will be ready by the beginning of 1937. If, by that date, the economic revival, of which there seem to be numerous signs in some countries, were to become more perceptible, and above all

to spread ; if, moreover, the political situation, which at present predominates over economic considerations, were to improve, an effort might be made to secure the application of the League of Nations nomenclature — an indispensable technical basis for mutual comprehension and understanding in the domain of international trade relations.

There can be no question of obtaining an immediate universal application of the draft. Such a plan would be too ambitious and sure to fail. The policy should be to encourage those countries which have shown their interest in the League's draft to adopt it by mutual consent. Though few in number as yet, they do include several States of considerable importance from the point of view of international trade. When once the nomenclature has been adopted by these countries, they should consider how to *maintain* the uniformity thus achieved ; for it is by maintaining such uniformity that the many advantages expected from the adoption of the League nomenclature will be reaped, as regards both tariffs themselves and commercial statistics and treaty policy. The fact that such advantages definitely exist should gradually lead to an increase in the number of States using the unified nomenclature.

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## VI. HEALTH.<sup>1</sup>

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The Pacific has always had a peculiar interest for those concerned with the prevention of epidemic diseases. The history of its exploration and discovery is full of incidents showing that, as more and more of the world became known and the network of shipping grew denser, these diseases became more threatening to civilised man. International co-operation in the prevention of the major epidemic diseases began in Europe, but the campaign was directed mainly towards the Near and Far East. Later on, more and more of the actual work took place in those areas. At present, one of the most important centres of international co-operation against disease is located at Singapore. There is also a regional international health bureau at Alexandria and another at Washington. The Eastern Bureau of the Health Organisation at Singapore has, within the last ten years, become one of the most important international agencies in the campaign to prevent the spread of disease from one country or one port to another.

### INTERNATIONAL CO-OPERATION IN THE PREVENTION OF DISEASE.

So long as the countries of the world could be classified into two broad groups — those which were organised and

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<sup>1</sup> Brief reports on the work of the Health Organisation, with special reference to the Pacific, were presented to the Conferences of the Institute of Pacific Relations held in 1927 and 1929. The information contained in those reports will not be repeated here; reference should be made to those documents and to official reports for information on the work of the Health Organisation up to 1929. This chapter of the present report deals largely with the more recent activities of the Health Organisation, particularly those which relate to the Pacific.

those which were unorganised — it was natural that international action against disease should consist largely of measures taken by the former against the introduction of disease from the latter. That is, the organised countries agreed among themselves to take certain measures to prevent the introduction of disease on ships and other agencies of transportation from the unorganised countries. While the countries of the world are still in different stages of development, international co-operation in health matters depends more and more on the organisation of health work in each country. It is easier to prevent the spread of disease by dealing with it where it prevails than to erect barriers against its introduction into other countries. Nowadays, attempts are being made in each country to build up public health services to stamp out disease and promote health within the national frontiers. This means that opportunities for international collaboration in health matters are greater than ever before. International agreement on common measures to prevent the introduction of disease from without is a limited form of international co-operation. The exchange on an international scale of experience and information on matters of health organisation and administration, with all that this implies, opens up new avenues for technical collaboration. This is the stage of development which the world has reached at present. It is best illustrated by the attempt being made with so much promise of success by the Government of China, with the assistance, through the League, of the more highly developed countries, to organise and extend throughout her vast territory a modern system of public health services. A short description of this attempt is given below.

The first attempts at international co-operation in the field of health were concerned with the prevention of the major epidemic diseases — plague, yellow fever, cholera, smallpox, typhus fever and dysentery. Malaria, perhaps the most important cause of mortality and morbidity in the world, belongs to a class by itself. All of these are found in the Pacific zone, which in some instances is the source from which they come. But some of the countries in the Pacific are as free from these diseases as are the countries of Western Europe. The public health record of certain Pacific countries is as good as that of any country in the world ; no country,

to mention only one example, excels New Zealand in the success of its campaign to reduce infant mortality.

If, then, by international co-operation in health matters we mean the exchange between the different countries of the best available experience and information, it is evident that the countries of the Pacific have something to offer as well as something to learn ; the exchange will be of mutual benefit. When this system was first put into actual practice by the League, in response to the request of the Greek Government for assistance in the sanitary reorganisation of Greece, it was by no accident that public health experts from countries in the Pacific (Australia and the United States) took part in the work. Later on, as we shall see, experts from the same countries visited China on behalf of the League to advise on the organisation of her port health services and on the prevention of smallpox and cholera in Shanghai.

#### UNIVERSALITY OF THE HEALTH ORGANISATION'S WORK.

Hygiene and public health override all frontiers. The Assembly has repeatedly drawn attention to the universality of the Health Organisation's work. While there are public health problems peculiar to certain parts of the world, there is no sharp differentiation between those to be found in the Pacific and elsewhere. In fact, the health problems confronting the health officer in Australia and New Zealand more nearly resemble those in certain European countries than those in China or Siam. With very few exceptions, the subjects on the Health Organisation's programme of work are of just as much interest to countries situated in the Pacific as to the countries of Europe.

#### THE HEALTH ORGANISATION'S WORK IN THE FIELD OF MALARIA.

The work of the Health Organisation in the field of malaria is a good illustration of its universality. The Malaria Commission, which directs and supervises that work, is

made up of malariologists from every important country in the world where malaria prevails. After long studies and discussions, the Commission has published reports on the principles which should govern the organisation of the anti-malaria campaign, the treatment of malaria, housing and malaria, and the varieties of mosquitoes which spread the disease, which take account of the experience acquired all over the world. In the attempt to appraise the value of the new synthetic anti-malarial remedies which have been developed in recent years, the Health Organisation is co-ordinating special studies which are being carried out on its behalf in Malaya and the Union of Soviet Socialist Republics, as well as in Algeria, Italy, Spain and Roumania. In 1925, the first international malaria courses were organised under the auspices of the League to provide opportunities for training to malariologists in the employ of Governments. Specialised schools or institutes where such training is available are relatively few in number. Moreover, malaria is such a protean disease, with such diverse manifestations and varying epidemiology, that information on its behaviour in different countries and under different conditions is needed to give anything like a complete picture of the disease. The courses referred to were given at specialised institutes at Hamburg, London, Paris and Rome, under the auspices of the Health Organisation. The teaching was done by the staff of these institutes and by experts from other countries on the invitation of the Health Organisation, which also offered a few scholarships to countries requiring a greater number of trained malariologists. After lecture and laboratory courses lasting a month, the participants spent some time in malarious regions of one or more countries, where they were given the opportunity to work in the field under expert direction. Finding that health officers from the Far East were unable to take advantage of these courses, arrangements were made with the King Edward VII Medical School at Singapore for the organisation of similar courses specially for malariologists from the Far East. Courses were first given in 1934 and repeated in 1935. The course which is being held there this year promises to be better attended than either of the first two, showing that the opportunities for training thus provided are very keenly appreciated.

## BIOLOGICAL STANDARDISATION.

The Health Organisation has two so-called permanent Commissions, concerned with malaria and biological standardisation respectively. Both include in their membership experts from countries of the Pacific. The work of both is of vital concern to such countries; but, while there are countries in the Pacific in the fortunate condition of having no malaria problem, no organised country is unaffected by the problems which the Permanent Commission on Biological Standardisation seeks to solve. The so-called biological preparations are now largely used in medicine and public health work. They include vaccines, sera (diphtheria, anti-toxin, etc.), organic extracts, hormones, the vitamins, and such drugs as digitalis, strophanthus and others, which are tested by biological methods. It has not been found necessary to adopt international standards for pure substances which can be weighed and measured accurately. A given weight of such substances is usually a sufficient criterion. But, when biological methods have to be resorted to, methods of expressing the value of such preparations are subject to great variation. Pharmacopœial commissions in well-organised countries set standards with which manufacturers are required to comply. But national standards are apt to differ. This leads to many difficulties. For example, insulin may not be manufactured in a given country, which is forced to import it. The preparation coming from different countries is marked in units which differ from one another. The adoption and distribution of international standard preparations enable each country to ensure that its standard preparation is stable, and to understand the medical literature from other countries on the use of such preparations. Since vitamins have become so well known, all kinds of foods alleged to contain different vitamins have been marketed. If there is no national standard, what is there to prevent a manufacturer from stating that a given amount of his product contains so many million units of vitamin C? But, when there is an international standard, and it is adopted by a given country, such claims can be readily controlled.

The adoption of international standards and units is

a long process. Different standards are tested in selected national laboratories ; the results of such tests are compared, international agreement is obtained, and arrangements are made for the conservation and distribution of a stable preparation of the standard. The two laboratories where the majority of standard preparations are conserved and distributed on behalf of the Health Organisation are the State Serum Institute at Copenhagen (for standard sera and bacterial products) and the Medical Research Institute at Hampstead, England (for all other preparations). These institutes test national standards against the international preparations and send out samples of the latter to national laboratories. This work is going on constantly, and countries in the Pacific benefit from it to the same degree as others. There are now some twenty-six international biological standards. The Commission has also compared the value of the different tests for syphilis and standardised the test sera used in blood grouping.

The Inter-Governmental Conference on Biological Standardisation, held at Geneva in October 1935, recommended that the use of these international standards should be made effective by the competent authorities of all countries. Delegates to that Conference included representatives from Australia, China, Japan and the United States.

It is obvious that these two permanent activities of the Health Organisation — anti-malaria work and biological standardisation — are of vital concern to countries of the Pacific. Let us now turn to a special activity which is restricted to these countries.

#### THE LEAGUE'S ASSISTANCE TO CHINA IN HEALTH MATTERS.

Reference has been made to the assistance given to the Government of China by the League in health matters. The Health Organisation's contact with the Far East may be said to have begun in 1922, when one of its representatives made a survey of the sanitary organisation and facilities of Eastern ports. This was followed in 1925 by the creation of the Health Organisation's Eastern Bureau at Singapore. The Director of the Health Section visited China in 1926, coming into contact with those who were to become its



leaders in health matters when the present Government came into power in 1928. In 1929, the Government asked the League for assistance in :

- (1) Reorganising and improving the port health services ;
- (2) Organising a permanent national health service ;
- (3) Establishing a national institute for undergraduate and post-graduate medical instruction ;
- (4) Coping with the problem of smallpox and cholera in the metropolitan area of Shanghai ;
- (5) Reforming and reorganising medical education.

The Council of the League welcomed the opportunity of collaborating with the Government of China in this work. China had been one of the least-developed countries as regards available information concerning the prevalence of disease. When the Health Organisation's Eastern Bureau at Singapore first broadcast its weekly message describing the disease situation in the ports of the Far East, information concerning the majority of Chinese ports was conspicuously lacking. By helping China to set up national health and port quarantine services, the countries of the Far East, and, indeed, of the West as well, would profit by the greater completeness of the information received from the Singapore Bureau, as well as the more effective disease location and prevention in China itself.

By drawing on the special experience and information on health matters available in the most highly developed countries, including several in the Pacific, the League's Health Organisation was able to provide effective assistance to China in respect of the several problems described above. The new National Quarantine Services began to function in 1930 with personnel which had been trained, in part, in the ports of countries in the Pacific ; the arrangement for that training had been made by the League. At present, the National Quarantine Service is working smoothly, serving practically all Chinese ports. The weekly message broadcast from Singapore contains information concerning the prevalence of disease in such ports. Precautions against the introduction of disease on ships from China may now be taken on the basis of reliable information concerning the exposure of passengers and crew.

The nucleus of the future national health services is to be found at Nanking in the Central Field Health Station, an institution arising out of the collaboration between the Government of China and the League. The work of that station consists in elaborating a public health programme for China, providing trained health staff and carrying out laboratory work. In 1934, the station assisted eleven provincial, three municipal and five rural health organisations to set up specially equipped field-stations for the study of plague, malaria and parasitic disease in thirty-five localities of eight provinces ; established twenty health centres in six provinces ; and opened midwifery schools and maternity centres at ten places in seven provinces. In addition, the station extended its field work into Shensi, Kansu, Tsinghai and Ninghsia, where a number of medical and health institutions were established, and provided first-aid stations and sanitary supervision in connection with the Government's road-building programme.

During the same year, more than five hundred students attended its health courses, which included types of training adapted for medical officers, sanitary inspectors, health nurses, school-teachers, pharmacists, midwives and hospital staff.

Associated with the station, laboratories in Peiping and Nanking produced, up to the end of 1933, sera and vaccines of an approximate market value of one million Mexican dollars.

A representative of the Health Organisation has been associated with the Central Field Health Station in an advisory capacity from the very beginning.

The First National Hospital at Nanking was established for use as a centre of medical treatment, research and post-graduate training. Its medical superintendent and other members of its staff were given opportunities for training abroad under the auspices of the Health Organisation. The Central Government has decided to co-operate with provincial Governments in founding other similar institutions.

There are three health authorities in the metropolitan area of Shanghai — those of the International Settlement, the French Concession and the Chinese City. Smallpox and cholera have always been serious menaces to the inhabitants ; the division of authority has not been conducive to effective

action. With the assistance of the Health Organisation, the National Health Administration brought these authorities together, a joint campaign was launched, in the course of which very large numbers were immunised, and these diseases were brought under control. In view of its importance as a port, the control of these diseases should redound to the benefit of ports of countries with which Shanghai is linked by shipping.

Finally, the Health Organisation sent to China a European expert in medical education, who surveyed all existing medical schools and drew up a programme for the future which was presented to the National Commission set up to deal with that subject. An attempt is being made by the Government to carry out this expert's most important recommendation — that a special type of school should be set up to train medical practitioners for China.

These, in brief, are the results of the assistance given to the Government of China through the instrumentality of the League's Health Organisation.

#### TRAINING MEDICAL OFFICERS OF HEALTH INTERNATIONALLY.

Mention has been made above of the opportunities for training afforded to Chinese medical officers through the League. This is one of the Health Organisation's most effective weapons in the attempt to foster the exchange between countries of their experience and information on health matters. It is not concerned with theoretical training, but seeks to give to medical officers who have the necessary theoretical knowledge some practical experience of the work they will have to do. Only in the case of malaria, as has been shown, has the Health Organisation gone a step further by arranging for theoretical and laboratory courses as well as for training in the field. But malaria is an exception to most rules, and it is not always possible to ensure that the participants in such courses will possess all the necessary preliminary training.

In the case of China, medical officers appointed to the National Quarantine Service were permitted to gain actual experience in the ports of the most advanced countries, and the same method was applied as regards hospital staff,

laboratory personnel and all the other important posts to be filled. Other countries of the Pacific as well as China have benefited from this activity of the Health Organisation.

#### THE EASTERN BUREAU OF THE HEALTH ORGANISATION AT SINGAPORE.

The most positive evidence that the Health Organisation of the League is concerned with countries of the Pacific was the creation and maintenance of its Eastern Bureau at Singapore (of which a full description was included in the report prepared for the 1929 Conference). That Bureau is supported mainly by the League, but countries of the Pacific also contribute directly to its maintenance, showing how highly they value its work. Its Advisory Council is composed mainly of representatives of the Health Administrations of Pacific countries. Its work chiefly concerns the area included within a wide circle stretching from the east coast of Africa, including Australia, and reaching to Vladivostok. Within this area, broadcasting of the latest information concerning health conditions of the ports and hinterlands is going on daily and weekly. All the health problems of the area are brought before the Advisory Council for discussion, and in the Bureau that Council possesses an international instrument capable of effective action.

#### THE FAR-EASTERN RURAL HYGIENE CONFERENCE.

The Eastern Bureau is at present engaged in work of the greatest significance for the future health of the countries associated with it — the preparation of the Far-Eastern Rural Hygiene Conference, which the League is to convene in 1937. This grew out of the European Rural Hygiene Conference organised by the League in 1931. Rural hygiene is one of the subjects which must be dealt with regionally, for the health problems of rural districts in Europe are far different from those in Asia. But, while the Conference of 1931 was restricted to problems of European countries, observers from other parts of the world attended. So

impressed were they with the value of the Conference, that delegates from those countries proposed to the Assembly that the League should convene a similar Conference for the Far East. The Advisory Council of the Eastern Bureau has discussed this subject on several occasions. A preparatory Committee is at present visiting the Eastern countries, getting into contact with national experts in rural hygiene and preparing preliminary reports on the main subjects. The Conference will be held in the Netherlands East Indies in 1937. This is a good illustration of the fact that subjects on the Health Organisation's programme of work which may appear mainly to concern European countries may, in the end, enlist the interest and support of countries in other parts of the world.

#### PUBLIC HEALTH AND NUTRITION.

Yet another interesting development concerns the Health Organisation's programme of work in the field of nutrition, which had its beginnings in the work of an expert who prepared a valuable report on the food of Japan. A Japanese expert was later sent by the League on a study tour which included a visit to Chile. His visit and lectures aroused an interest which was deepened by the findings of an enquiry into infant mortality, carried out under the auspices of the Health Organisation. The interest aroused in this subject led the Government of Chile to ask the League for assistance in an enquiry into the health and economic aspects of nutrition, which is being carried out at the present time.

Steadily pursuing its work in this field, the Health Organisation, in 1935, published a report on public health and nutrition, which aroused widespread interest. The Assembly, in 1935, after lengthy discussion, decided to undertake an enquiry in which account would be taken of the hygienic, economic and agricultural aspects of the problem.<sup>1</sup> That enquiry is now proceeding by means of a number of commissions; the International Labour Office and the International Institute of Agriculture at Rome are lending their

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<sup>1</sup> See also chapter V, "Economic Relations".

collaboration. Now, it is obvious that the problem of nutrition in Europe and North America differs from that in China, India, Siam and the Philippines. In view of the confusion that might result should the problem of nutrition in the world as a whole be taken up, it was decided to restrict the enquiry, at least in its first stages, to the problem as it exists in countries of so-called Western civilisation. But the question of nutrition in the area of the Eastern Bureau at Singapore was not neglected. It was considered that the Far-Eastern Rural Hygiene Conference would offer a good opportunity for study of the question in the Far East, and the Committee which is now preparing for the Conference is giving it due consideration. When the time comes for the League enquiry to be extended beyond its present limits, the countries associated with the Eastern Bureau will have kept pace in the collection and publication of basic information, and perhaps in other ways, with those which are now collaborating in the enquiry initiated by the Assembly.

A study of other items on the Health Organisation's programme of work would reveal the fact that the majority of them are of interest and concern to countries of the Pacific. If, in the beginning, their study may be restricted to smaller subdivisions of the globe, in the end it will extend throughout the world.

The limits of space do not permit of reviewing all these activities ; they are described fully in official documents. It suffices to state that the Health Organisation possesses an important technical bureau in the Pacific, that it carries out work of direct interest to countries in that area, and that its main activities are of vital concern to these countries. It remains only to add that, among the large group of experts who unselfishly devote much of their time and skill to the advancement of the cause of international health under the auspices of the League, a due proportion are nationals of countries in the Pacific area.

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## VII. MANDATES.

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The memoranda prepared by the League Secretariat for the Conferences of the Institute of Pacific Relations in 1927 and 1929 dealt in considerable detail with the principles, methods and results of the system of mandates and with the specific problems of the mandates in the Pacific. It is, therefore, unnecessary to repeat a detailed description of the mandates system.

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All the reports of the mandatory Powers are examined by the Permanent Mandates Commission, which meets twice a year. The Commission, consisting of ten members chosen in their individual capacity and not as representatives of Governments, examines and discusses each report in the presence of a duly accredited representative of the mandatory Power, who supplies any supplementary information required. Petitions are also received, not only from inhabitants of mandated territories, but also from outside persons and organisations who may wish to raise questions concerning the administration of these countries. In the report which, at the end of each session, the Commission presents to the Council (the Commission is an advisory body and only the Council has executive power), observations are included on the administration of each territory the report on which has been examined at the session. Such observations may consist of requests for additional information, of points raised concerning the interpretation of certain stipulations of the Covenant, and mandates, and of criticisms or suggestions.

The report of the Mandates Commission, the Minutes of its sessions and the relevant resolutions of the Council are all published in due course.

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The mandate regime in Iraq terminated on October 3rd, 1932, with the admission of that country to the League of Nations, after the Council had found that the conditions on which its emancipation depended were fulfilled.

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## VIII. THE PROBLEM OF NARCOTIC DRUGS.

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The work of the League in combating the traffic in opium and other dangerous drugs was described in a memorandum distributed to the Conference of the Institute of Pacific Relations in 1929. The system of international control then in being was based on the International Conventions framed at The Hague in 1912 and at Geneva in 1925.

The principal features of the control then in practice included (1) a system of import certificates and export authorisations to be applied to international transactions in narcotic drugs ; (2) the forwarding by Governments to the League of detailed annual reports on all aspects of the traffic in narcotic drugs ; (3) the furnishing by Governments to a Permanent Central Opium Board at Geneva of quarterly and annual statistics of imports, exports, manufacture, consumption and stocks ; (4) the forwarding by Governments to the League of special reports on all important cases of illicit traffic.

The Geneva Convention of 1925 had, in 1929, been in force for only a year and it was not possible to assess the results of this first important experiment in the international control of narcotic drugs until it began to be effectively and generally applied. It became clear, however, as early as 1930, that illicit traffic had been taking place on an even greater scale, during the previous five years, than had been suspected. The situation was especially serious in Egypt, India, China and on the North American continent. Seventy-two tons of the narcotic drugs shown in the statistics of authorised manufacture during the preceding five years were estimated to have

disappeared into the illicit traffic — a circumstance which proved, among other things, that there was a serious over-production of narcotic drugs manufactured for legitimate purposes.

Although the Geneva Convention had not yet had time to show its full effect, public opinion and the Governments of the world were, in face of this situation, ready for further steps. In 1929, the Assembly of the League decided that a diplomatic conference should be called together to conclude a Convention under which the manufacture of narcotic drugs might be subject to an international system of limitation. The Opium Convention of 1912 had established only a national control over the domestic manufacture of narcotic drugs and the trade in them. The Geneva Convention of 1925 had provided for an international supervision of the trade in narcotic drugs based on import certificates and a periodical survey of statistical returns. The Convention for limiting the Manufacture and regulating the Distribution of Narcotic Drugs, signed in 1931, completed the system of control. It contained provisions whereby the world total of drugs to be lawfully manufactured might be limited ; whereby the amounts required by the several countries for their lawful needs were to be fixed on the basis of estimates supplied by Governments ; and whereby the supervision to be exercised over international transactions might be strengthened and extended.

The Limitation Convention has been ratified by fifty-six States. It is now virtually worldwide, and Members and non-members of the League co-operate in its application. The system of limitation, moreover, is applied, not only to States which are parties to the Convention, but to non-parties, for the Supervisory Body, which, under the Convention, examines and approves the amount of narcotic drugs required by each country for its medical and scientific needs, is empowered to fix estimates for countries which do not furnish them, whether Parties to the Convention or not. The Assembly, commenting on the work of the Supervisory Body in 1933, was therefore justified in describing the Convention as “ the only literally universal piece of international administration so far undertaken by the League ”.

There are now three stages at which control is exercised. First, the legitimate requirements of narcotic drugs for the whole world are declared in advance of each year by the

Supervisory Body, which publishes annually a statement containing the legitimate needs of all countries either as estimated by the Governments or as fixed by itself. This statement covers every country and territory in the world, and all parties to the Convention are required to keep their manufacture and consumption within the limits of the estimates.

The first stage may be described as a control exercised in advance. The second stage is a control exercised concurrently. It consists in watching the imports and exports of the various countries quarter by quarter, to ascertain whether the trade in narcotic drugs is being kept within the limits of the estimates fixed in advance. This duty is performed by the Permanent Central Opium Board, first set up under the Geneva Convention of 1925, and given extended powers under the Limitation Convention of 1931.

The third stage may be described as a control in retrospect. It consists of an examination of the statistics of trade and manufacture for the past year, and a comparison of these statistics with the estimates previously approved by the Supervisory Body. This examination is carried out by the Permanent Central Board, which has a right to enforce an embargo against a State which has exceeded its estimates. In all cases it has the right, and indeed the duty, to ask for explanations where there is evidence that a particular State has failed to carry out its obligations. The Permanent Central Board has on several occasions applied this procedure and insisted upon the fulfilment of obligations which constitute a clear limitation of the internal sovereignty of States — probably a unique case in international law.

Meanwhile the import-certificate system established under the Convention of 1925 remains the principal administrative method of controlling from day to day the international traffic in narcotic drugs. Under this system, no consignment of narcotic drugs may be exported from a country until an import certificate covering the consignment has been obtained from the country to which it is proceeding. The extent to which this system is strictly enforced by the countries of the world may be regarded as a measure of the effectiveness of the control exercised over the trade in narcotic drugs as distinguished from their manufacture.

The extent to which this international machinery has

been adopted by States in the Pacific basin is indicated in the following table :

TRAFFIC IN OPIUM AND OTHER DANGEROUS DRUGS.  
*International Machinery in the Pacific Basin.*

States or territories in the Pacific basin	1 Party to Hague Convention of 1912	2 Party to Geneva Convention of 1925	3 Party to Limitation Convention of 1931	4 Forwards an annual report	5 Forwards seizure reports	6 Forwards quarterly or annual statistics to the Permanent Central Board	7 Furnishes estimates of annual requirements to the Supervisory Body
Australia . . . . .	+	+	+	+	+	+	+
Canada . . . . .	+	+	+	+	+	+	+
Chile . . . . .	+	+	+			+	+
China . . . . .	+		+	+	+	+	+
Colombia . . . . .	+	+	+			+	
Costa Rica . . . . .	+	+	+			+	
Ecuador . . . . .	+	+	+			+	+
France (for dependencies and mandated terri- tories) . . . . .	+	+	+	+		+	+
Great Britain (for all parts of the British Empire not separate Members of the League of Nations) . . . . .	+	+	+	+	+	+	+
Guatemala . . . . .	+		+	+		+	+
Japan (and for colonies and mandated terri- tories) . . . . .	+	+	+	+		+	+
Mexico . . . . .	+		+	+		+	+
Netherlands (for Nether- lands East Indies) . . . . .	+	+	+	+	+	+	+
New Zealand . . . . .	+	+	+	+	+	+	+
Nicaragua . . . . .	+		+	+		+	+
Panama . . . . .	+		+			+	
Peru . . . . .	+		+		+	+	
Salvador . . . . .	+	+	+	+	+	+	+
Siam . . . . .	+	+	+	+	+	+	+
U.S.A. . . . .	+		+	+	+	+	+
U.S.S.R. . . . .		+	+	+	+	+	+

The results achieved during the critical period 1928-1934, when the system of control above described was in process of application, are indicated by the statistics of the total annual manufactures of narcotic drugs legally produced. The figures for the legitimate manufacture of morphine during the years 1928, 1931 and 1934 were as follows: 1928, 46,166 kg.; 1931, 30,457 kg.; 1934, 26,775 kg. The figures for diacetylmorphine or heroin were as follows: 1928, 7,810 kg.; 1931, 1,249 kg.; 1934, 1,114 kg. Lastly, the figures for cocaine were as follows: 1928, 7,200 kg.; 1931, 4,612 kg.; 1934, 3,472 kg.

The main result of the system was to draw a clear dividing-line between legitimate trade and the illicit traffic in narcotic drugs. In proportion as the system of licensed manufacture became proof against evasion, the illicit traffickers were driven to look for other sources of supply, and, legitimate manufacture being controlled, they could find them only in clandestine manufacture. The discovery and suppression of clandestine factories have thus become one of the major problems with which the Governments of the world are confronted in their efforts to suppress the illicit traffic.

In 1934, clandestine establishments had appeared in many countries. At Shanghai, for example, ten such factories or laboratories for the production of heroin and twenty-five establishments producing narcotic pills were discovered and closed down. Two heroin factories were discovered at Tientsin, four factories in the Leased Territory of Kwantung and yet another factory in Hong-Kong; the Turkish Government reported the discovery of four illicit factories; the Greek, Bulgarian, French and United States Governments reported one each, all closed down.

The clandestine manufacture of narcotic drugs is inevitably facilitated by an over-production of raw materials or by the existence of territories in which it is difficult to control their production and harvesting. Clandestine manufacture, in fact, has so far generally arisen in countries where raw materials are produced locally or are readily obtained. The League of Nations has thus found it necessary to consider a further problem — namely, the possibility of limiting the production of raw materials by international agreement. The Assembly has given instruction that the necessary material

should be collected with a view to enabling it to decide whether a conference may not usefully be convened for this purpose in the near future. The Governments concerned have already been asked to furnish information in regard to the cultivation and harvesting of the opium poppy and the coca leaf.

The illicit traffickers, as a result of the increasingly general application of the Opium Conventions, were not only driven to new sources of supply, but had also to change their methods of distribution. Illicit consignments of narcotic drugs, owing to the vigilance of national authorities, could no longer be despatched in considerable quantities at one time. The traffickers tended to break up their consignments into small lots, to make use of territories where the control exercised over the distribution of narcotic drugs was still incomplete, to use modern forms of locomotion such as the aeroplane or motor-car and to make use of the mails. To meet these new developments, a closer co-ordination of the activities of the police was felt to be necessary and, to this end, the League of Nations prepared an international Convention for submission to an International Conference for the Suppression of the Illicit Traffic which was convened to meet at Geneva in June of this year. The objects of the Convention were to make the penalties against illicit traffickers uniformly severe and to close the door against their possible evasion under the laws of extradition. The Convention was also intended to secure the fullest possible co-operation between national administrations in the prosecution and punishment of offenders. Twenty-five States signed the Convention on June 26th, 1936, at Geneva.

Further attention has been given to the gradual suppression of opium-smoking in the Far East. By the Hague Convention of 1912, the signatory Governments undertook gradually to abolish the use of prepared opium, and, under Chapter IV of that Convention, the Governments which had concluded treaties with China were required to co-operate with the Chinese authorities in suppressing the illicit traffic in opium and other narcotic drugs.

The Governments concerned in the problem of opium-smoking accepted, moreover, certain further provisions for its gradual and complete suppression under an Agreement

signed at Geneva in 1925. It became clear, however, in the course of the next three years that the efforts made by the Governments in territories where opium monopolies existed gradually to suppress the habit of opium-smoking were being frustrated by an active illicit traffic both in raw and prepared opium, and in the course of 1929-30, a Commission of Enquiry despatched by the League of Nations visited all the territories of the Far East where opium monopolies existed, except Borneo, and as a result of its enquiry presented a report to the Council containing a number of recommendations.

The way was thus prepared for the Conference on Opium-smoking which took place at Bangkok in 1931. This Conference drew up a new Agreement which provided, among other things, that the retail sale and distribution of opium should take place only in Government shops, that persons under 21 years of age should be prohibited from smoking opium and that the necessary legislation should be enacted for the punishment of those who might tempt minors to smoke opium or facilitate their smoking.

Moreover, it adopted a Final Act embodying important suggestions. It was recommended, for example, that Governments should introduce a system of licensing and rationing for smokers, adopt a complete system of registration of smokers, and send special annual reports to the League on the situation in respect of prepared opium within their territories, giving among other information particulars of the amount of revenue derived from the opium monopolies and the way in which this revenue was spent. The Commission of Enquiry and the Bangkok Conference both realised that the best method of effecting the suppression of opium-smoking was by educational methods and by improving the standard of living of the native population, and they suggested that measures to these ends should be made a part of the opium-suppression policy. It was also recommended that the Governments should provide facilities for opium-smokers to cure themselves of their habit.

Reports for 1934, relating specially to prepared opium, were sent to the League of Nations covering the following countries and territories: Burma, North Borneo, Brunei, the Straits Settlements, the Federated Malay States, the

Unfederated Malay States, Formosa, Hong-Kong, the Netherlands Indies, Indo-China, Kwantung Leased Territory and Sarawak. The Siamese Government submitted a special report for 1933, and the Indian Government gives full information from year to year in a special chapter of its annual report on the traffic in opium and other dangerous drugs. Progress from year to year may now be followed in these annual reports. Smokers are registered in India and Burma. The aim of the Indian Government is a total suppression of opium-smoking, and this measure has already been enforced in Assam, the Central Provinces and Berar. In the Straits Settlements and in the Federated and Unfederated Malay States, the registration of opium-smokers was completed in December 1934. Special emphasis is laid in these territories on the development of social services and amenities as a means of reducing the practice of opium-smoking among the younger generation. The reports from the Governments of Hong-Kong and Indo-China also draw special attention to the importance of education, social services and other changes which are taking place in the normal life of the native population, while the report from the Government of the Netherlands Indies, which gives particulars of a new administrative division of the territories concerned, as a result of which opium-smoking has been reduced or entirely prohibited in districts where it was previously consumed, with or without licence, also contains interesting details regarding the activities of the Administration with a view to combating the use of prepared opium by means of propaganda in schools or through private organisations.

Among the countries of the Pacific basin, China is of great importance ; it is a country for which international co-operation in dealing with the drug problem is especially necessary. Raw materials are abundant and accessible. Control is difficult. The number of Chinese addicts is considerable, and the danger to China and to the world at large from the establishment of clandestine factories as a result of these conditions is admitted. The Chinese Government has recently taken comprehensive and energetic steps to deal with the situation. A system of regulations, promulgated in 1934, provides for the gradual suppression of opium-smoking with a view to its complete elimination within a period of four



years. The regulations provide, moreover, for a control subject to very severe penalties, of the distribution of what are termed by the Chinese authorities "high-powered" narcotic drugs. The penalty for persons convicted of clandestine manufacture or illicit traffic in such drugs is death. Drug addicts are required to undergo compulsory treatment and special hospitals have been opened for the purpose. The Chinese Government has stated that 81,000 addicts and opium-smokers were cured in 1934. From 1937 onwards, the penalty for continued addiction to manufactured drugs will be death or imprisonment for life.

Sixteen years of experience show that it is possible to concentrate, under the auspices of the League, the collective efforts of Governments, whether Members or non-members of the League, in the campaign against dangerous drugs. The Opium Conventions are not far short of universal in their application. Twenty-five Governments, moreover, send their representatives to Geneva twice a year to discuss opium problems, and it is significant that even non-members of the League have found it to their interest to co-operate in this work.

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## IX. SUPPRESSION OF THE TRAFFIC IN WOMEN AND CHILDREN.

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### INTERNATIONAL LEGISLATION.

The memorandum submitted in 1929 to the Conference of the Institute of Pacific Relations gave a brief outline of the activity of the League of Nations with regard to international legislation on the suppression of the international traffic in women and children. Before the creation of the League, two international agreements had been concluded in 1904 and 1910. Since the foundation of the League, three further international instruments have come into force: the 1921 Convention for the Suppression of Traffic in Women and Children, the 1923 Convention for the Suppression of the Circulation of and Traffic in Obscene Publications, and the 1933 Convention for the Prevention of Traffic in Women of Full Age.

The 1921 and 1923 Conventions have now reached almost universal adoption. The first has been ratified or acceded to by not less than forty-eight countries, not including the great number of colonies, protectorates and mandated territories in which it is in force. The 1923 Convention is in a very similar situation, having been ratified or definitely acceded to by forty-five States. The third Convention was signed in October 1933 by twenty-three States, came into force within less than a year, and has now been ratified by sixteen States. It is a measure of the progress of the times that it should seem quite natural that a Convention concluded in 1933 should be ratified by such a number of countries

within a little more than two years. Looked at in the light of past experience, however, such a record can be described as extraordinary. The 1910 Convention, for instance, had only been signed (and not ratified) by nine States when the League started work in 1919. A further Convention aiming at the suppression of the exploitation of prostitution (*souteneurs*) is being prepared. A draft Convention has been sent to the Governments Members and non-members of the League of Nations as a basis of study.

The aims of these Conventions will be seen from the following short summary. The signatories of the 1904 Agreement had undertaken to set up authorities in their territories to collect information concerning traffic, to watch ports where it might be carried on and to assist its victims. By the 1910 Convention, they pledged themselves to punish traffickers even when they had committed their offences in other countries. Owing, however, to the absence of an international central body responsible for executing these agreements, there was danger of their being wholly ineffective.

A first effort to improve this situation was made in the 1921 Convention.

Public opinion considered the existing instruments still inadequate, however, and in 1933 a further Convention was adopted which met many of the objections and provided that the international traffic in women of full age with a view to immorality in another country, even with their consent, should be subject to a penalty. A comparison of this Convention with the Agreement of 1904 shows the immense progress which has been made in thirty years. The draft Convention on exploitation of prostitution now under study is based by unanimous agreement on the abolitionist principle.

#### TRAFFIC IN WOMEN AND CHILDREN IN THE NEAR, MIDDLE AND FAR EAST.

The memorandum submitted in 1929 mentioned the fact that the Advisory Commission recommended to the Council in 1929 the extension of the *enquiry into the international traffic in women and children especially to the countries of the Near, Middle and Far East*. The Council approved this

enquiry after the Governments concerned had consented and agreed to co-operate, and the funds were provided by the American Bureau of Social Hygiene in New York.

The organisation entrusted with the investigation consisted of a travelling Commission of Enquiry of three members and a Committee of representatives of Governments on the Traffic in Women and Children Committee.

The itinerary of the Commission was as follows : Bangkok, Indo-China, Hong-Kong, Macao, Manila, Canton, Swatow, Amoy, Shanghai, Nanking, Chefoo and Tientsin, Peiping, Manchuria, Seoul, Tokio, a number of other towns in Japan, Java, Singapore and Malay, Calcutta and Madras, Colombo, Bombay and Karachi, Bushire and Teheran, Baghdad, Damascus, Beirut, Jerusalem and Haifa.

The Commission testified to the existence of an international traffic in women and girls in the Near, Middle and Far East. The bulk of this traffic was in Asiatic women from one country in Asia to another. A rough idea of its extent and nature can be gained from the fact that the Commission found approximately 17,000 women and girls of many nationalities as registered foreign prostitutes in the various cities visited. To this total may be added an unknown number of clandestine prostitutes. There should also be included as victims of the traffic many of the thousands of girls (singing girls, Geisha, dancing partners and waitresses) who were said to be recruited for service abroad in much the same manner as prostitutes and to be often subjected to a form of exploitation which differed little from that to which the registered prostitutes were subjected.

By far the largest number of such victims were found to be of the Chinese race. The next in numerical importance were of the Japanese race (Japanese, Korean and Formosan). Following on the Japanese were women refugees of Russian origin. Traffic in Occidental women had markedly decreased. These latter were of various nationalities, including a few Americans, Australians and Canadians.

The report gives, as chief among the causes of the traffic, poverty and ignorance. Another important cause was found to be the demand of large groups of men living alone abroad for the companionship of women of their own race. The dominating factor, however, was found to be greed for the

large profits to be made out of this type of human misery. The fact that the victims of the traffic were often very young, and in addition peculiarly helpless to protect themselves, made the task of the trafficker particularly easy and profitable.

The findings of the Commission were discussed by various League bodies in the years 1934 and 1935, and it became more and more clear that, although they had created a great impression on public opinion and had stimulated official and voluntary activity to improve the position, another effort would have to be made to secure their full execution. It was accordingly decided to convene a conference of the central authorities dealing with the traffic in women and children in the following twelve countries : Afghanistan, the United States of America, the United Kingdom, China, France, India, Iran, Iraq, Japan, the Netherlands, Portugal and Siam. By May 1st of this year, the United Kingdom, China, France, Japan, the Netherlands, Portugal and Siam had agreed to take part in the Conference. The United States of America, which had in the first instance agreed to participate officially, informed the League that its concern had been concerned primarily for the situation in the Philippine Islands and its acceptance of the invitation had been based upon its relationship with those islands. In the meantime, however, the Government of the Commonwealth of the Philippines had been set up, and the question was accordingly referred to the President of this Commonwealth. The latter had informed the Government of the United States that " traffic in women and children is prohibited and penalised by Philippine law, that the problem in the Philippines is a police rather than a social one, and that the deportation of foreign prostitutes has practically solved the problem. The Commonwealth Government accordingly does not contemplate sending a representative to the proposed Conference."

In these circumstances, the United States Government decided to be represented by an observer instead of by an official delegate. The Governments of Iran, Iraq and India declined the invitation. The Indian delegate on the Traffic in Women and Children Committee promised to urge his Government to send an observer.

The Council of the League has accepted an invitation from the Netherlands Government to hold the Conference in

Bandoeng, Java. It will probably take place in February 1937.

The following questions will be discussed :

Closer collaboration and wider exchange of information between the authorities responsible for measures to prevent traffic in women in the East ;

Control of migration so as to prevent traffic in women and children ;

Closer collaboration between authorities and private organisations in this part of the world ;

Employment of a larger number of women officials on the staff of the authorities responsible for the welfare of women and children ;

Possibility of abolishing licensed houses ;

Position of women refugees of Russian origin in the Far East.

As to the composition of the Conference, the Governments were practically unanimous as to the desirability of securing the participation of private organisations and missions. One Government which had expressed some doubts on this point was prepared to accede if the others were in favour. The Japanese Government was of opinion that, for practical reasons only, the Conference should consist only of Government delegates.

The position of women refugees of Russian origin in the Far East has been considered by different League bodies since it was brought up by the report of the Commission of Enquiry.

The Traffic in Women and Children Committee in 1933 and 1934 dealt with the plight of these women who were stranded in the Far East, and the Assembly of 1935 had before it a memorandum drawn up by the League Secretariat on the basis of information collected on the spot, chiefly by voluntary organisations. The Fifth Committee stated that the Assembly could contribute to the amelioration of the situation by giving effect to the resolution approved by the Traffic in Women and Children Committee as to the social measures available for these women in Harbin and other places in Manchuria. The Assembly felt that some further action on its part was called for, however, and, as it was clear that a request for an

appropriation would not be acceded to, expressed the hope that the necessary funds might be collected through the co-operation of the voluntary organisations and public authorities and authorised the Secretary-General to endeavour to secure the services of a competent person (preferably a woman) who could act as an agent of the League in China to assist the rehabilitation of refugee women.

### VARIOUS OTHER ACTIVITIES.

Apart from these questions, the Traffic in Women and Children Committee has dealt with many other problems connected with the fight against the traffic in women and children. The most important of these has been the enquiry on the abolition of licensed houses,<sup>1</sup> the report on which has had a great influence on public opinion regarding this question.

Similarly, the study of the rehabilitation of prostitutes has also led to interesting preliminary results. Finally, the League Secretariat publishes a Summary of Annual Reports,<sup>2</sup> referring both to traffic in women and children and to obscene publications, amongst which reports may be found those of non-member States such as the United States of America and Japan.

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<sup>1</sup> Document C.221.M.88.1934.IV.

<sup>2</sup> The Report for 1936 bears the League document No. C.88.M.32.1936.IV and Addendum. ●