

THE
MONTHLY SUMMARY
OF THE
LEAGUE OF NATIONS

Vol. VIII. No. 10.

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AND
TAX EVASION

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MONTHLY SUMMARY OF THE LEAGUE OF NATIONS

Vol. VIII. No. 10.

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I. — Summary of the Month.

OCTOBER 1928

October was almost entirely devoted to the work of the Economic and Health Organisations.

A number of important economic questions were considered at meetings which marked either the beginning of a new phase of League work or, as the case might be, the conclusion of a long series of investigations and studies. The Economic Committee sat for a week, pursuing its investigation of certain aspects of commercial policy such as the most-favoured-nation clause, industrial understandings, the reduction of tariffs etc., and initiating its enquiries on new subjects relating to the coal and sugar problems etc. This session was preceded by a meeting of experts on customs nomenclature.

The Conference of Government Experts on Double Taxation and Tax Evasion, which brought together experts from twenty-eight countries, sat for nine days drawing up six draft conventions on the prevention of double taxation and

assistance in the assessment and recovery of taxes and making arrangements for the creation of a standing League Committee on taxation questions.

In the field of public health, the principal subjects studied were the treatment of syphilis and anti-tuberculosis vaccination. The plenary Health Committee also met and traced its programme for the coming year.

The Permanent Mandates Commission met towards the end of the month and was still in session at the beginning of November. It examined reports on Iraq, British Cameroons and Togoland, South West Africa, Western Samoa, Ruanda Urundi and the Pacific Islands under Japanese mandate.

The Persian Government forwarded to the League its communication to the United States accepting the Pact for the Renunciation of War as an Instrument of National Policy, giving its views as to the compatibility of the Pact with the Covenant and with Persia's international position.

The American Government, replying to the Council's invitation to participate in the appointment of the Permanent Central Opium Board, regretted its inability to do so on account of its views as regards the Geneva Convention, but expressed its readiness to furnish information required by the Board.

The Permanent Court of International Justice was convened for an extraordinary session beginning November 12th, 1928, which will be devoted to the case of certain Serbian loans issued in France.

II. — Arbitration, Security, Reduction of Armaments.

GENERAL PACT FOR THE RENUNCIATION OF WAR LETTER FROM THE PERSIAN GOVERNMENT

The Note (Teheran, October 3rd, 1928) addressed by the Persian Government to the American Chargé d'Affaires, concerning the accession of Persia to the Pact for the Renunciation of War as an Instrument of National Policy has been communicated by the Persian Government to the Secretary-General, and by him transmitted for information to the Members of the League.

The note contains the following passage :

My Government, considering that the multilateral treaty signed at Paris is in harmony with its consistently peaceful policy and with the obligations imposed by the Covenant of the League of Nations on its Members, being convinced, moreover, that the text of the treaty does not affect its right to legitimate self-defence; considering, further, that the reservations made by certain Powers can in no case and at no time lay Persia under any obligation to recognise any possible claims of a nature to infringe her territorial or maritime rights and possessions, gives its cordial accession to the international Pact for the outlawry of war.

III. — Legal and Constitutional Questions.

INTERNATIONAL ENGAGEMENTS

Registration of Treaties.

Among the treaties registered in September and October figure :

An agreement between Austria and Poland (Vienna, February 24th, 1928) relating to the execution of the final paragraph of Article 266 and of Article 273 of the Treaty of St. Germain, presented by Poland;

An exchange of notes (London, January 4th and February 23rd, 1927) between the United States of America and Great Britain and Northern Ireland relating to the reciprocal raising of the sequestration of property effected in virtue of the laws on trade with the enemy, presented by Great Britain;

A provisional commercial Convention (Kaunas, August 16th, 1928) between Lithuania and the Economic Union of Belgium and Luxemburg, presented by Belgium;

An exchange of notes (Angora, September 24th, 1928) constituting a provisional commercial agreement between Sweden and Turkey, presented by Sweden;

An exchange of notes (Teheran, June 20th, 1928) constituting a provisional settlement of the friendly and commercial relations between the Netherlands and Persia, presented by the Netherlands;

Provisional agreements regulating the general relations between France and Persia, Denmark and Persia, and Sweden and Persia, presented by France, Denmark and Sweden respectively;

Exchanges of notes constituting agreements for the suppression of the passport visa between Austria and Japan, and Finland and Czechoslovakia, presented by Austria and Finland respectively;

An agreement (Madrid, November 28th, 1927) between Spain and Italy, regulating the system of taxation for companies, presented by Italy;

A Convention (Berlin, April 25th, 1928) between Germany and Sweden for the apportionment of taxation and, in particular, for the prevention of double taxation in matters of direct taxation, presented by Sweden.

IV. — The Technical Organisations.

1. — THE HEALTH ORGANISATION

a) *Thirteenth Session of the Health Committee.*

The thirteenth session of the Health Committee was held at Geneva from October 25th to October 31st. The Committee examined the work of the Health Organisation since its last session (April 1928) and laid down the lines on which this work was to proceed in the coming year.

In this connection the report of the Medical Director on the work of the organisation was examined in the light of the resolutions of the Assembly and the decisions of the Council.

Another point on the agenda—collaboration with Latin America—concerned the participation of Latin American countries in the enquiry into infantile mortality, the relations between health insurance societies and public health administrations the leprosy enquiry, interchanges, epidemiological statistics, as well as the organisation of institutes for training public health officers in Latin America under the auspices of the Health Organisation.

The agenda also included the reports of various Commissions and Conferences that had met on the initiative of the Committee since its last session, such as the Malaria Commission, the Conference of Health Experts on Child Welfare, the Smallpox and Vaccination Commission, the Cancer Commission, the Copenhagen Laboratory Conference on the sero-diagnosis of syphilis, and the Technical Conference on Anti-Tuberculosis Vaccination by Calmette-Guérin bacilli.

The present situation in Greece and certain other Mediterranean countries with regard to the recent epidemic of dengue, or breakbone fever, was also discussed. The members of the Health Committee are :

President : Dr. Th. Madsen (Danish).

Vice-President : M. O. Velghe (Belgian).

Vice-Presidents (elected for 1928) : Dr. G. Araoz Alfaro (Argentine), Dr. H. Carrière (Swiss).

Members : Professor Léon Bernard (French), Sir George Buchanan (British), Professor J. Cantacuzene (Roumanian), Dr. Carlos Chagas (Brazilian), Dr. Witwold Chodzko (Polish), Surgeon General H. S. Cumming (American), Dr. J. H. L. Cumpston (Australian), Colonel J. D. Graham (British), Dr. C. Hamel (German), Dr. Alice Hamilton (American), Dr. N. M. J. Jitta (Dutch), Professor Ricardo Jorge (Portuguese), Dr. A. Lutrario (Italian), Professor D. Nocht (German), Professor Donato Ottolenghi (Italian), Professor Gustavo Pittaluga (Spanish), Dr. L. Raynaud (French), Dr. M. Tsurumi (Japanese), Dr. C. E. A. Winslow (American).

A full account of the proceedings will be published next month.

b) Meeting of Experts on Syphilis and Cognate Subjects.

A Committee of experts met at Geneva from October 8th to 10th, to prepare a plan for the study of modern methods of treating syphilis.

After noting the preliminary discussions that took place in Copenhagen in June and the written suggestions made by the experts, the Committee adopted its agenda, which comprised the following points :

1. Variations in the prevalence of syphilis; methods of determining the underlying causes.

2. *Prevention of syphilis* : comparative study of the experience gained by the Public Health agencies concerned in various countries. Proposed plan of enquiry into the effectiveness of the treatment of syphilis in selected clinics and dispensaries of several countries.

3. *Miscellaneous* : Methods of teaching medical students the modern treatment of syphilis in the Medical Schools. Standardisation of drugs used in the treatment of syphilis (work of Permanent Standards Commission). Other proposals by the experts.

I. — ENQUIRY INTO SYPHILIS TREATMENT

The experts were struck by the fact that, in the fight against syphilis, the results obtained were not such as the almost universally recognised progress of syphilis therapy would give reason to expect.

The explanation which suggested itself was that new discoveries in the matter of syphilis diagnosis and therapy had not been exploited everywhere in the right way and with such promptness as would be desirable, and that uniform generally recognised method of treatment did not yet exist.

The experts therefore considered whether a statistical compilation regarding the various methods of treatment in clinics, dispensaries, etc., would not enable a better general idea to be gained of the efficacy of these methods.

In their opinion the material available at individual clinics was sufficient for study, but had usually been treated by one or at most, a very few methods. They considered that an attempt must therefore be made to bring together as much material as possible from different clinics in different countries, to enable the various methods to be compared on the broadest possible basis.

In this connection it appeared desirable to keep in view the two purposes to which every treatment of syphilis should be directed, namely, the suppression of contagiousness as quickly and as effectively as possible, and the protection of the patient from the severe late effects of syphilis.

The experts recommended that the work be organised on the following lines. The material from the various clinics which are ready to participate would be sent to the Health Section acting as central bureau of this enquiry on cards relating to individual patients ("individual case record"). On the basis of the material thus received, the bureau would then have to work up the various questions which arise in connection with the treatment of syphilis and its results. For this purpose, a large number of cards giving as accurate particulars as possible will be required.

Directors of clinics would be requested to work up their cases for a given period of years to be determined by them, and would include all cases of syphilis which had been under observation in their clinic for more than six months and all the older cases for which adequate medical histories were available. Beyond this, however, no further selection of cases would be made.

In addition to the cards, which would be filled in under his supervision, the Director of each institute would be asked to prepare a general statement of the principles applied or of the various principles applied at different times.

Apart from this retrospective statistical compilation, the experts considered that those clinics which were prepared to place their material at the disposal of the Health Organisation in this form, should start, at a given date, recording all newly arriving cases of (fresh or old) syphilis on the lines of these individual cards, in order that, a few years hence, they might be in possession of records which would lend themselves without further ado to these statistical uses.

It would be desirable, that in the larger centres the agencies concerned with this matter, for instance, insurance funds, private institutions and dispensaries, should co-operate for the purposes of this investigation.

II. — PROPERTIES OF DRUGS USED IN TREATMENT OF SYPHILIS

The Committee considered it highly regrettable that bismuth preparations which did not correspond to the manufacturers' indications should be placed on the market in various countries. It suggested that the practice already adopted by certain countries of official chemical testing of bismuth preparations should be made widely known, perhaps through the machinery of the Health Organisation and that the sanitary administrations of countries following this practice might communicate periodically the results of their observations to the League Secretariat. In the view of the Committee the national studies on the biological and chemical composition of various bismuth compounds will have to be continued in the different countries before the question of an international co-ordination of any such studies is taken into consideration.

III. — METHODS OF TEACHING THE MODERN TREATMENT OF SYPHILIS

The Committee considered that, in view of the prophylactic importance of modern methods for the diagnosis and treatment of syphilis, no national plan of preventive measures against syphilis was complete that did not provide for the theoretical and practical training of medical students in syphilology, followed by the sanction of official examination.

In the view of the Committee the authorities should also facilitate in every way continuation courses in syphilology for general practitioners and medical officers.

IV. — VARIATIONS IN THE PREVALENCE OF SYPHILIS

In view of the complexity of this question, the experts decided to adjourn discussion on this point to a later date.

The meeting was attended by :

Professor Jadassohn, Director of the University Skin Clinic, Breslau (Chairman);

Dr. Th. Madsen, Director of the State Serum Institute, Copenhagen;

Colonel L. W. Harrison, of the British Ministry of Health, London;

Dr. Louis Queyrat, President of the Ligue nationale française contre le Pêril vénérien, Paris;

Dr. J. H. Stokes, Professor of Dermatology and Syphilology, School of Medicine, University of Pennsylvania, Philadelphia. Chairman of the Scientific Committee on Research in Syphilis, New York;

Professor C. Rasch, Director of the State Hospital, Copenhagen, was unable to attend.

2. — THE ECONOMIC AND FINANCIAL ORGANISATION

a) *Twenty-sixth Session of the Economic Committee.*

International commercial policy, the most-favoured-nation clause, industrial cartels, collective action for the reduction of tariffs (for example, on aluminium and cement), enquiries as regards coal and sugar, and the contraband trade in alcohol, were amongst the subjects considered at the twenty-sixth session of the Economic Committee which was held from October 23rd to 30th.

The session, presided over by M. Serruys, opened with a statement that the Assembly had approved the methods of work of the Committee and referred to it further subjects for consideration.

I. — COMMERCIAL POLICY

Most-favoured-nation treatment. — The Economic Committee continued its examination of this question and determined the principles which should be recognised in regard to the sphere of application of the clause, the details of its application, the exceptions of which the clause normally admits and the effect on undertakings resulting from collective agreements on the obligations which the clause involved.

At its next session the Committee will study a general report laying down uniform rules and principles on the subject.

II. — INTERNATIONAL INDUSTRIAL UNDERTAKINGS

The Assembly had recommended that the Economic Organisation should expedite the study of various aspects of the problem of international industrial undertakings. The Committee accordingly requested each of its members to forward as soon as possible :

1. A list of the international undertakings to which he knows the industries of his country to be parties;
2. A memorandum on the views prevailing in his country with regard to such undertakings.

Once this material has been collected, the Committee will have it examined by one or more specialists in order to obtain the most authoritative opinions as to the subsequent course of its enquiry.

III. — COLLECTIVE ACTION WITH A VIEW TO REDUCTION OF TARIFFS

The Consultative Committee and the Assembly having approved the methods proposed by the Economic Committee concerning collective action by states with a view to the reduction of tariffs, the Committee began a study of measures for the abolition or reduction of tariffs relating to aluminium and cement.

(a) *Aluminium.* — The German Government had asked the Governments of the chief producing countries whether they would consider concerted action to abolish or reduce duties on crude aluminium.

The Committee observed that, although certain countries were in favour of this proposal, others showed little inclination to consider it. Others, again, did not regard it as a matter of urgency so soon after the renewal of an industrial agreement between the European producers; and all countries were of opinion that concerted action would have little value if limited solely to the customs aspect

of the question or, more particularly, if it did not embrace all the producing countries of the world.

Accordingly, the Committee decided to postpone this study, while awaiting further information on the subject.

(b) *Cement*. — As regards cement, the Committee considered, on the contrary, that concerted action would be useful in view of the enormous disparity between tariffs, and that it would have good prospects of success.

It requested its members and the Secretariat to ascertain whether the chief countries concerned would be willing to attend a preliminary meeting at which the principles and methods of concerted action in relation to cement tariffs would be studied.

IV. — COAL AND SUGAR

The problems of coal and sugar, which were referred by the Assembly to the Economic Committee in pursuance of a resolution of the Consultative Committee, possess many aspects besides that of tariffs. The Economic Committee had already collected material on the subject, and at this meeting took measures for this material to be completed.

(a) *Coal*. — The Committee requested a delegation composed of M. Serruys, M. Trendelenburg, Sir Sidney Chapman, M. Di Nola and M. Dolezal to undertake a preliminary technical and economic consultation of coal experts in order to verify and extend the material and to note any useful suggestions as to the direction in which the future enquiries and studies of the Committee should proceed.

In accordance with a well-established tradition, to which the Committee attached the greatest importance, it was understood that the members conducting the enquiry should act as the deputies of the Committee and should represent its principles and not the particular standpoints of the industry of their countries.

The delegation will consult, authorised experts belonging both to consuming and producing countries, drawn from Austria, Belgium, Czechoslovakia, France, Germany, Great Britain, Italy, Poland, Spain and Sweden. It will collect information on the relation between the coal industry and other sources of energy; the question whether the causes of the lack of balance between output, capacity and demand are temporary or likely to be permanent; the effects of government action on the production, use and distribution of coal; the effects on the use and sale of coal and the principles of control adopted in certain countries, or coal districts.

(b) *Sugar*. — The Committee examined the material supplied on this subject by its members and by the Cuba and Java sugar producers. The Cuban Government notified its decision to abandon all control of sugar production and suggested that the League submit the whole problem to a conference.

M. Nederbragt (Netherlands), corresponding member of the Committee, stated that his Government was prepared to take part in an investigation of the sugar problem by the League.

In view of the somewhat complicated problems involved and their relations with agricultural and industrial considerations, the Committee did not feel able to proceed at once to technical consultations similar to those undertaken in regard to coal. It considered that it should request certain persons who were recognised authorities on sugar statistics to verify and collate the information already collected, and also to submit further data in regard to some questions concerning the sugar trade as a whole, so that the Committee might be better equipped for a subsequent consultation with experts.

V. — CONTRABAND TRADE IN ALCOHOL

A new question referred to the Committee by the Assembly concerned the contraband trade and, more particularly, the trade in connection with alcohol.

After noting the material collected, the Committee considered that, with a view to subsequent investigations, the Governments of the countries which had laid the proposal before the Assembly should be asked for further particulars as to the scope of the problem engaging their attention.

VI. — CUSTOMS NOMENCLATURE

The Committee noted that the work of the experts on customs nomenclature was progressing satisfactorily (see special chapter).

VII. — ADMINISTRATIVE PROTECTION

In regard to the question of administrative protection the Committee noted two memoranda submitted by M. Trendelenburg and Mr. Eastman.

Owing to the complexity of the question, the Committee confined itself to determining the procedure to be followed. It invited its members to submit in writing their observations on the documents laid before them with a view to verifying or supplementing them.

On the basis of these observations, a Sub-Committee consisting of M. Trendelenburg, Mr. Eastman, M. Schuler, M. Stucki and M. Ito will lay proposals before the next session in regard to the subsequent work.

VIII. — TREATMENT OF FOREIGNERS

The Economic Committee proposed to examine, as soon as they have been collected, the observations and suggestions of the different Governments in regard to the draft convention for the treatment of foreign nationals and enterprises.

In view of the importance attaching to the convocation of the proposed diplomatic conference on the subject, the Committee recommended that the Council should immediately authorise the Secretary-General to fix the date of the conference and to notify the states concerned.

IX. — DIPLOMATIC STATISTICAL CONFERENCE

The Committee decided to appoint one of its members to take part in this Conference in an advisory capacity. It asked the Council also to allow one of the members of the Sub-Committee of Experts on Customs nomenclature to attend the Conference in an advisory capacity.

X. — RATIFICATION OF CONVENTIONS

In pursuance of a Council resolution of June 1928 inviting the League Commissions to examine from time to time the position as regards the ratification of conventions, the Economic Committee decided to draw the Council's attention to the fact that some of the agreements concluded as a result of its work had not received as many ratifications as was desirable. These agreements are :

The Protocol on Arbitration Clauses (September 1923);

The Convention for the execution of Foreign Arbitral Awards (September 1927);

The Convention for the Simplification of Customs Formalities (November 1923);

The Convention for the Abolition of Import and Export Prohibitions and Restrictions and Supplementary Agreement (November 1927 and July 1928);

Two international agreements on the Export of Hides, Skins and Bones (July 1928).

As regards the agreements on prohibitions, the Committee drew the attention of the Council to the necessity for hastening their ratification as, if, of the expira-

tion of the time limit, the necessary ratifications had not been received, the results-gained would be lost and the whole question reopened.

On this occasion the Committee recalled that, prior to the war the act of signing a convention was regarded by the signatory as constituting a sort of moral obligation to submit it to Parliament for approval as soon as possible, and that some conventions even fixed a definite time limit for the introduction of bills of ratification.

The Committee unanimously considered that this procedure might be usefully brought to the notice of Governments of States Members and that, the Council might lay down, as regards the coming into force of agreements concluded under the auspices of the League, that signatories should do all in their power to submit such conventions to Parliament as early as possible.

*
* *

The meeting was attended by :

M. Serruys (French), President; M. Trendelenburg (German) Vice-President; M. J. Brunet (Belgian); M. J. A. Barboza Carneiro (Brazilian); Sir Sydney Chapman (British); M. A. di Nola (Italian); M. F. Dolezal (Polish); M. Peroutka (Czechoslovak); Mr. R. Eastman (American); M. Ito (Japanese); M. G. Jahn (Norwegian); M. H. A. F. Lindsay (India); M. E. Neculcea (Roumanian); M. R. Schüller (Austrian); M. W. Stucki (Swiss).

b) *Double taxation and tax evasion.*

A general meeting of Government experts on double taxation and tax evasion was held at Geneva from October 22nd to October 31st.

The meeting adopted six draft bilateral conventions for the solution of problems in connection with double taxation and tax evasion. The first four concerned double taxation in the sphere of direct taxation and succession duties, the last two the prevention of tax evasion by means of international cooperation in the assessment and collection of taxes.

A resolution was passed recommending the constitution of a standing League Committee on taxation questions.

*
* *

Twenty-eight countries were represented, namely : South Africa, Austria, Belgium, Bulgaria, China, Czechoslovakia, Denmark, Danzig, Estonia, France, Germany, Great Britain, Greece, Hungary, Ireland, Italy, Japan, Lithuania, Monaco, the Netherlands, Norway, Poland, Roumania, Spain, Sweden, Switzerland, Union of Socialist Soviet Republics, United States of America. A delegation of the International Chamber of Commerce attended in an advisory capacity.

The meeting was presided over by M. Clavier (Belgium), assisted by five Vice-Presidents : Sir Percy Thompson (Great Britain), M. Borduge (France), M. Damsté (Netherlands), M. Blau (Switzerland), and M. Dorn (Germany).

This meeting marked the conclusion of a long series of studies and investigations which began in 1920. It may be useful to recall the character and scope of the problem, the circumstances in which it was brought before the League, the principal phases of the League's work; to describe the salient features of the draft conventions submitted by the experts, and briefly to indicate the task and powers of the Conference.

Character of the problem. — By “double taxation” is generally meant the obligation of a person resident in one country and deriving revenue from another to pay taxes on the same income in both countries.

This question, which has arisen as a counter-part to the development of international trade and the consequent investments and residence abroad, and which naturally presents very different aspects to States importing and States exporting capital, became urgent and serious as a result of the rapid and unprecedented increase of taxation since the war.

Certain incomes, upon which taxes are levied in two countries, pay away 80 to 100 % theoretically sometimes more. This double taxation has a most unfortunate influence on the development of international relations, world production, and the flow of capital. It affects in particular undertakings, and persons who exercise their trade or profession in several countries, or derive their income from countries other than the one in which they reside, tends to paralyse their activity and to discourage initiative.

At the same time, any excessive taxation, by its very burden, brings in its train tax evasion, which may take two forms: the tax payer invests his money or collects his revenue abroad, leaving his country in ignorance of his real income, or, by residing abroad, makes it impossible for his country to collect his taxes, as such measures as that country might take for the recovery of taxes cannot be applied in the territory of a foreign State.

This situation could not fail to attract the attention of the Conference which met shortly after the conclusion of peace. In 1920, the first international conference convened by the League—the Brussels Financial Conference—recommended that the League should seek “an understanding which, while ensuring the due payment by everyone of his full share of taxation, would avoid the imposition of double taxation which is at present an obstacle to investments abroad”. In 1922, the Genoa Conference invited the League to study measures of international co-operation for the prevention of tax evasion.

Studies and Investigations. — At the end of 1920 the Council entrusted the Financial Committee with an enquiry on double taxation; in 1922, it called for an enquiry on tax evasion.

These studies comprehended several stages, a feature of each being the work of a committee of experts.

As a first step, the Financial Committee appointed a committee of economists, composed of M. Bruins (Netherlands), M. Einaudi (Italian), M. Seligman (American) and Sir Josiah Stamp (British) to study the question of double taxation, and to prepare a programme of action. These experts deposited in March, 1923, a report containing a detailed discussion of the general principles that govern national competence in taxation, and noting the tendency to substitute for the principle of an individual’s political allegiance that of his economic allegiance. In other words, the consideration is not so much to what nation an individual belongs, as to what State his economic interests belong. To conclude, the economists indicated possible solutions.

The theoretical aspect of the problem having been elucidated, the Financial Committee decided to proceed to a practical and administrative study. For this purpose, it applied to high officials of the European revenue departments, selecting countries in constant touch with one another and possessing the most characteristic legislation, namely, Belgium, France, Great Britain, Italy, the Netherlands, Switzerland and Czechoslovakia.

These experts met in Geneva in 1923 and 1925. They examined the report of the economists, consulted the International Chamber of Commerce, studied treaties recently concluded by States with a view to obviating double taxation, and finally drew up conclusions based on the work of the economists, on the opinion of trade and industry circles, and on existing laws and treaties.

Adopting the division of taxes into impersonal or schedular taxes (movable property, agricultural undertakings, industrial establishments) and general or personal taxes (income tax, death duties) the experts suggested in each case solutions that might be envisaged. As regards tax evasion they also drew a distinction between tax evasion as regards assessment and tax evasion as regards recovery. To conclude, they recommended that several preliminary draft conventions should be prepared by a new Committee with a wider membership and a more comprehensive mandate.

This recommendation was approved by the Financial Committee and the Council, and a Committee was constituted, including, in addition to the seven above-mentioned States, Germany, the United States, the Argentine, Japan, Poland and Venezuela. Thus, from an essentially European institution the Committee had developed into a body including representatives of the North and South American continents, and the Far East. The International Chamber of Commerce and the Transit Organisation were represented in an advisory capacity, the latter in connection with the prevention of the double taxation of maritime and inland navigation companies.

The experts held several meetings in 1926 and 1927 and finally, on the basis of the resolution adopted in 1925, drew up four preliminary draft conventions.

On the recommendation of the Financial Committee the Council communicated these texts to all Governments for examination, and convened the Conference of Government experts to meet in 1928. Governments were invited to delegate to the Conference experts empowered to explain the general views of their Governments, without in any way engaging their policy as regards the beginning of negotiations or the basis upon which conventions might be concluded. The International Chamber of Commerce was invited to be represented in an advisory capacity.

The Draft Conventions. — The experts had prepared four draft conventions, two on double taxation (prevention of double taxation, prevention of double taxation as regards succession duties), and two on tax evasion (administrative assistance in matters of taxation, legal assistance in the recovery of taxes). All these treaties are of the bilateral type. The experts refrained from drawing up collective conventions for reasons stated as follows in their report :

It would certainly be desirable that the States should conclude collective conventions, or even a single convention embodying all the others. Nevertheless, the Committee did not feel justified in recommending the adoption of this course. In the matter of double taxation, in particular, the fiscal systems of the various countries are so fundamentally different that it seems at present practically impossible to draft a collective convention, unless it were worded in such general terms as to be of no practical value. In the matter of tax evasion also, although unanimity would not seem to be unattainable, there is no doubt that the accession of all countries to a single Convention could only be obtained as the result of prolonged and delicate negotiations, while there is no reason to delay the putting into force of bilateral conventions which would immediately satisfy the legitimate interests of the tax payers as well as those of the Contracting States.

For this reason, the Committee preferred to draw up standard bilateral conventions. If these texts are used by Governments in concluding such conventions, a certain measure of uniformity will be introduced in international fiscal laws and, at a later stage of the evolution of that law, a system of general conventions may be established which will make possible the unification of the rules previously laid down.

In their report the Experts suggested that to ensure systematic and continuous international cooperation in this field a standing committee should be set up under the auspices of the League.

The meeting of Government experts examined the four drafts one by one, adopting them with some modifications. The discussion centred on the first draft, which it seemed difficult to adapt to the taxation systems of certain countries. The meeting therefore thought it advisable to add two further model conventions on the same subject, but more especially adapted to the existing situation. It prepared, discussed and finally adopted these two supplementary drafts, raising to six the number of draft conventions approved.

The drafts will be submitted to the Council and, if approved by it, submitted to all Governments as a possible basis for negotiations on bilateral conventions.

The meeting also adopted the suggestion of the committee of experts regarding the establishment in connection with the League of a standing committee on taxation questions.

The work of the meeting and the conventions are summarised below.

* * *

Double taxation in direct taxation. — The provisions of the draft convention for the prevention of double taxation in direct taxation, adopted on the basis of the experts' preliminary draft, may be summed up as follows :

The convention distinguishes between impersonal or schedular taxes and personal or global taxes.

The country in which the source of income is situated is, in a general way, regarded as entitled to levy an impersonal tax on income from movable property and mortgages (taxable in the country in which they are situated), revenue from public funds, bonds, loans, deposits and current accounts (taxable in the State in which the debtors of such income are resident), revenue from shares or similar interests, fees of managers and directors of joint stock companies (taxable in the country in which the real centre of management of the undertaking is situated), revenue from industrial, commercial or agricultural undertakings (taxable in the States in which the persons controlling such undertakings possess permanent establishments), income from salaries, wages, etc. (taxable in the state in which the recipients carry on their employment, with the exception of officials and public employees serving abroad), public or private companies (taxable in the state of the debtor of such income) annuities (taxable at the fiscal domicile of the creditor).

An exception is made in regard to profits from shipping or air navigation undertakings (taxable in the country in which the effective centre of management is situated).

On the other hand, the personal tax on the total income is levied by the state of fiscal domicile, subject to deduction of the amount levied by another contracting party on income from immovable property or from industrial, commercial and agricultural undertakings.

In the case of taxpayers who possess a fiscal domicile in both contracting states, the personal tax is imposed in each of these states in proportion to the period of stay during the fiscal year.

The same principles are applicable *mutatis mutandis* to recurrent taxes on wealth, capital or increment of wealth, according as these taxes are impersonal or personal.

The convention contemplates the usual procedure of conciliation, arbitration or judicial settlement for disputes arising from its application or interpretation, and provides for reference to the competent League organisations, in particular the Permanent Court of International Justice.

The accompanying commentary provides that the draft convention may be modified in the course of bilateral negotiations, more particularly as regards the taxation of business profits falling within the scope of the convention and the rules governing impersonal taxes on income instituted by a State and confined to income derived from sources situated within its control. As regards income from funds,

bonds, etc., refunds are contemplated with a view to preventing double taxation. The regulations for maritime or air navigation undertakings may be restricted to revenue from maritime or air navigation strictly speaking, excluding subsidiary activities. They may be extended to river and lake navigation.

Additional drafts. — The draft analysed above seemed to several members of the meeting to be suitable for negotiations between two countries whose fiscal systems were based on both impersonal and personal taxes. Two further drafts were prepared, one for negotiation between countries whose fiscal system is based on personal taxes, the other applying more particularly to negotiations between a country with a fiscal system based on personal taxes and a country with a fiscal system based both on personal and on impersonal taxes. The first of these conventions was based on a preliminary draft submitted by Mr. Adams (United States of America), and lays down as a general principle that income shall be taxed by the state of fiscal domicile.

In the case of taxpayers who possess fiscal domicile in several contracting states, a division of taxation is provided, e. g. commercial income is taxed at its source (the rights of countries where undertakings have permanent establishments are reserved); income from shipping and air navigation undertakings is taxable at the effective centre of management; salaries, wages, etc., are taxable by the countries in which the taxpayers are working (exception being made for officials and public employees serving abroad), income from immovable property is taxable by the state in which such property is situated).

The draft provides rebate and refund procedure.

Although the first and second drafts differ completely in structure, their results vary only on one point, namely, in the latter the state of fiscal domicile is entitled to levy taxes on income from movable property situated in the territory of the other contracting party.

The third draft was based on a proposal submitted by De. Dorn (Germany) and amended by M. Borduge (France). Its structure resembles that of the experts' draft, except that taxes are not grouped under impersonal or schedular taxes and personal taxes. An important special feature is that it gives the domicile state priority in the taxation of revenue from movable capital. Taxation at source is not prohibited; to prevent double taxation the contracting parties agree to allow either remission in respect of the tax levied by the domicile state of the whole or part of the tax deducted by the state of origin or a refund by the state of origin of the whole or a part of the tax already levied. This would contribute to a certain measure of equality between taxpayers investing their money in their own country and those investing it abroad.

The two additional drafts adopted by the meeting will be communicated to the Council in the same way as the first, and by it communicated to Governments. States will thus be able to select one of the three texts as a basis for negotiation. A third additional draft submitted to the meeting by Mr. Liubimov (U. S. S. R.) contemplated taxation of revenue at source and domicile, providing that any state might tax revenue at source and that the domicile state might levy a tax on total revenue. This draft contains special provisions to prevent the accumulation of taxes. The experts, while recognising that the system thus proposed was extremely ingenious, noted that it could not be applied unless all countries had similar taxation systems, which was not the case. They accordingly considered that this draft should be reserved for later discussion.

Double taxation as regards succession duties. — As regards succession duties, the meeting adopted the draft prepared by the Committee of Experts, with some slight modifications aiming at simplification.

This draft bilateral convention is designed to prevent double taxation in the special matter of succession duties. Succession duties are levied by the country

of domicile of the deceased, i. e. by the country in which the deceased at the time of his death had taken up his residence with the manifest intention of remaining there. In the absence of a domicile, the country of which the deceased was a national shall be considered his country of domicile. The duties may be levied on the total property left by the deceased, including property situated in another country. Where necessary, deductions shall be effected so that duty may be levied on transferable and immovable property situated in the territory of another contracting party. It may also be specified that this other contracting party shall be entitled to levy duty on other categories of property, on the subject of which agreement would have to be reached, it being understood that duties thus levied should be deducted from the tax to be levied by the domicile state. Duties chargeable to or secured on specific property are to be deducted from the value of that property.

Like the preceding drafts, this draft convention provides for a procedure of conciliation, arbitration and judicial settlement for disputes as to its interpretation or application. It is accompanied by a commentary explaining its various articles.

Some members, including Mr. Adams, observed that they did not think that this draft could be accepted by their countries.

Administrative assistance in taxation matters. — Several members expressed the opinion that, in the present condition of fiscal legislation, it would be hardly possible for their countries to conclude conventions of administrative assistance for the assessment of taxes; the majority, nevertheless, was in favour of a draft bilateral convention on the subject observing that several bilateral conventions have already been concluded, although their scope was more restricted than that of the draft before the meeting. This draft was finally adopted without any important modification.

With a view to obtaining a better apportionment of fiscal burdens in the interest both of Governments and taxpayers, the contracting parties undertake, subject to reciprocity, to give each other administrative assistance in regard to all matters required for the purpose of tax assessment. This assistance will consist in an exchange of fiscal information and cooperation between administrative authorities in carrying out certain measures of procedure. The exchange of information is to relate to natural or juristic persons taxable in one of the two contracting countries. It will bear on immovable property, mortgages or similar claims, industrial, commercial or agricultural undertakings, earned income and directors' fees, transferable securities, claims, deposits, current accounts and successions. It is specified that in no case shall the effect of these provisions be to impose upon either of the parties the obligation of supplying particulars which its own legislation does not enable it to procure, or to carry out administrative measures at variance with its own regulations or practice. It is, moreover, provided that the state to which application is made may refuse to carry out such obligation if it considers that it is contrary to public policy.

Assistance in the collection of taxes. — Like the draft on administrative assistance, the bilateral convention on judicial assistance in the collection of taxes was the subject of reservations by several experts who did not consider its adoption probable in their countries.

In the title of the draft the word "judicial" was suppressed, but the text was adopted without modification. It lays down that the mutual assistance which the contracting parties undertake to give each other in the collection of taxes shall apply both to the principle of the tax and to incidental charges. At the same time it shall only apply to fiscal duties which are *res judicatae*; the collection of fiscal duties shall be effected at the request of the creditor Government (the state making the application) addressed to the state having jurisdiction over the person or property of the debtor state (the state to which application is made).

The draft also specified methods for making the application. The state to

which application is made is called upon to comply as soon as possible with the request addressed to it, but may, nevertheless, refuse to do so if it considers that it cannot comply with the request for reasons of public policy or general interest. The fiscal duty which forms the subject of the request shall be collected in accordance with the laws of the state to which application is made, but this does not oblige the latter to employ a means of execution which is not provided for by the laws of the state making the application.

Creation of a Standing Committee on Taxation Questions. — The meeting had to take a decision on a proposal made by the Committee of Experts for the creation under the direction of the League, of a Standing Committee on Taxation Questions.

The principal duty of this organisation will be to hasten the solution of problems of double taxation and administrative and judicial assistance in the assessment and collection of taxes. It will give its attention in particular to the following points : periodical investigations and reports on the general situation in regard to these problems; the preparation of model bilateral conventions or collective conventions and revised texts thereof; the preparation of any other international measures calculated to eliminate double taxation and to secure a more equitable distribution of fiscal burdens; comparison of fiscal systems; preparation of a general conference, should such be contemplated.

This proposal was adopted unanimously, a resolution being voted in which the meeting emphasised the importance it attached to the prompt application of the suggestions of the Committee of Experts.

The meeting considered that the committee should consist of a small number of members selected for their technical qualifications and representing the principal fiscal systems. It should remain in close and permanent contact with the countries not represented, and should study all questions concerning taxation which the Council thought advisable to refer to it.

The meeting enumerated certain questions which had not been contemplated by the Committee of Experts and which might, it was considered, be referred to this new organisation, such as methods for the prevention of double taxation of income derived from patents and authors' rights; rules for the apportionment of the profits or capital of undertakings operating in several countries; measures for the avoidance of double taxation of trusts and companies possessing a large number of transferable securities. The Committee would further supervise the publication of various documents, such as an annual collection of conventions on double taxation and, administrative and judicial assistance in the assessment and collection of taxes, memoranda on the existing systems of taxation and an annual report on the progress made during the year in regard to the prevention of double taxation and administrative and judicial assistance.

General considerations. — At the closing meeting the Chairman observed that the aim which the Government experts had pursued was not to increase fiscal burdens but, on the contrary, to effect a more equitable apportionment; the meeting had endeavoured to find a remedy for the unfair accumulation of taxes which constituted a barrier to the international flow of capital and to combat fiscal frauds the result of which was to oblige the community to bear the burden of those perpetrating the fraud. He emphasised that the measures contemplated in regard to this question were not penal measures and did not constitute a new departure (such as violation of the bankers' secret in countries where it existed) but should, on the other hand, be considered as measures designed to prevent tax evasion.

(*Bibliographical Note.* — Double Taxation and Tax Evasion. Report of the Committee of Technical Experts. Geneva, 1927, 33 pages. Document No. C. 216. M. 85. 1927. II.)

c) *Unification of Customs nomenclature.*

The Sub-Committee of Experts studying the unification of customs nomenclature sat at Geneva from October 3rd to 20th, with M. Fighiera (France) in the chair.

On the basis of a framework established at its preceding session, the Committee endeavoured to draw up a standard nomenclature. Its agenda further included a preliminary study of two questions: the classification of goods consisting of a number of composite parts liable to different rates of duty, but not specifically mentioned in the nomenclature (so-called "composite goods"); and that of spare parts of machine and vehicles.

Form in which the standard nomenclature should be cast. — The experts took note of the fact that, in proposing the unification of customs nomenclature, the principal aim of the Economic Conference was first to reduce and then to abolish the innumerable subdivisions and specifications on tariffs which constituted so many obstacles to the development of commercial relations between nations.

Keeping this principle constantly before them, the experts indicated their intention of including in the nomenclature only those headings of a sufficiently general character to be adapted to the requirements of the economic structure of all countries. To this end, they prepared for the first fourteen chapters of the tariff framework a draft nomenclature, which, in their opinion, met the requirements of countries whose internal economy had already reached an advanced stage of development. If applied to countries which had not developed to the same extent, this standard nomenclature would have to be adjusted by cutting down the secondary items. The chief items would remain unchanged and the secondary ones might be expanded only within certain prescribed limits.

Composite goods. — Composite goods may be divided into two groups.

a) Those which, in certain tariffs, are termed "mechanical mixtures" and which consist either of mixtures of solid ingredients (e.g. rye and wheat, oats and barley); or of mixtures of liquids (e.g. wine and alcohol); or of mixtures of liquids and solids (e.g. fats and vegetable oils).

b) Those which, as a result of their process of manufacture contain different materials or parts which are liable to different rates of duty. Such are the numerous finished or half-finished products which, as they emerge from the process of manufacture, are not of the same material throughout. (This category comprises a large number of manufactured articles and objects ranging from yarns and textiles produced from a number of different textile materials to the products of mechanical engineering, electrical engineering, clock making, etc.).

The manner in which such composite goods are classified in the various tariffs varies from country to country, as shown by the replies to a preliminary questionnaire addressed by the Sub-Committee to several countries. No general principle, no comprehensive rule can be adduced from the replies to the questionnaire. Even the meaning of the term "composite goods" frequently varies from country to country.

As a general rule, composite goods are considered to be composed of two or more different substances. Certain Governments, nevertheless, also include in this category goods consisting of one substance only.

From the replies to the questionnaire, the experts arrived at five different rules for the classification of composite goods. The classification is based, according to the country concerned, either on the material which has the greatest weight, surface or importance; or on the material which is dutiable at the highest rate; or on the part of the object which has the greatest value; or on several consti-

tments of the object considered as though they were separate; or on the use to which the composite goods will be put.

In these circumstances the experts realised that it would be difficult to secure uniformity in the matter, and decided to consider difficulties arising out of the classification of composite goods as and when specific cases came before it and to seek the most practical solution in each case.

Thus, at its October session, the Sub-Committee, having to decide in the chapter on cereals on the classification of meslin (a mixture of wheat and rye), grouped that substance with wheat, which means that, under the standard nomenclature, mixtures of grains of wheat and of grains of rye will be considered, for purposes of customs duties, as though they consisted entirely of grains of wheat.

Spare parts of machines and vehicles. — In connection with the treatment of spare parts of machines and vehicles, the Sub-Committee reviewed the whole series of spare parts whose classification would have to be determined by the customs nomenclature. It considered that in the most important class, that of metals, such parts should be divided into two groups:

a) wrought castings or forgings which are products of the metallurgic industry,

b) wrought parts which are products of the mechanical engineering industry. As regard the first group, the experts agreed to classify them as articles manufactured from the materials of which they are composed. For the second group they felt that a distinction ought to be drawn. Those which, by reason of their characteristics, may be assigned only to the category of machines or of vehicles to which they in fact belong will be included in the chapter on machines or vehicles, and in this case will be specially mentioned in the customs nomenclature.

For certain general categories, all wrought parts which, by reason of their shape, are definitely in the nature of spare parts of machine or vehicles (e.g. axles, fly-wheels, gearing, etc.), the experts proposed to provide special headings which will enable such parts to be cleared through the customs without difficulty.

Classification of products and articles having a special use, but manufactured from different raw materials. — The experts were faced with the following problem: should certain products or articles having a special use, but manufactured from different raw materials, appear in the nomenclature under each of the materials from which they could be manufactured, or should they be confined to a single chapter and under a single item irrespective of the material of which they are made?

In this connection, the Economic Committee had expressed the opinion that the classification of goods should adhere as far as possible to the principle of classifying commodities or goods under the original materials of which they are composed. It considered that when the raw material had been converted into a finished product which was closely connected with several finished products used in a particular industry, and having the same purpose, then classification according to the use or purpose of the objects or goods seemed more suitable than classification according to the raw materials composing them, particularly from the point of view of a consultation of customs tariffs and their practical use.

The Sub-Committee felt that a clear tariff, easy to understand and containing no unnecessary repetitions, could best be drawn up by a happy combination of these two systems in the numerous individual cases that would arise.

On the basis of these principles, the Sub-Committee will, as its work proceeds, put forward proposals for the classification of the individual products and articles in the customs nomenclature.

V. — Administrative Questions.

FOURTEENTH SESSION OF THE MANDATES COMMISSION

The fourteenth session of the Mandates Commission opened on October 26th, at Geneva, with Marquis Theodoli (Italian) in the chair. The agenda included reports from Mandatory Powers, petitions and general questions.

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I. — ANNUAL REPORTS OF MANDATORY POWERS

The reports to be examined concerned Iraq (British Mandate), British Cameroons, British Togoland, South West Africa (South African Mandate), Western Samoa (New Zealand Mandate), Ruanda-Urundi (Belgian Mandate) and the Pacific Islands under Japanese Mandate.

The British Government was represented by Sir A. Ransford Slater, Governor of the Gold Coast, Mr. B. H. Bourdillon, Legal Adviser to the High Commissioner for Iraq, Mr. J. Arnott, British Resident in the Cameroons, and Mr. T. Lloyd, of the Colonial Office; the Government of the South African Union by Mr. Werth, Administrator of South West Africa; the New Zealand Government by Sir James Parr, High Commissioner for New Zealand in London, and Major General Sir George Richardson, former Administrator of Western Samoa; the Belgian Government by M. Halewyck de Heusch; the Japanese Government by M. Sato, Director of the Japanese League of Nations Office.

At its last session the Commission studied the report of the Royal Commission of Enquiry on the disturbances in Samoa since 1926. At this session it examined the annual report of the New Zealand Government on the administration of Western Samoa in 1927/1928.

II. — PETITIONS

The petitions submitted to the Commission touched upon questions concerning the administration of Palestine, Iraq, Syria and the Lebanon, French Togoland, South West Africa and Western Samoa.

III. — GENERAL QUESTIONS

The general questions on the agenda concerned economic equality, the liquor traffic and public health.

I. ECONOMIC EQUALITY

In this connection the Commission considered : (a) *The purchase of supplies by administrations of mandated territories either for their own use or for public works.* — A question which was first raised at its eleventh session (June-July, 1927) (1).

In accordance with the Commission's recommendation at its thirteenth session, the Council requested the Mandatory Powers to give specific information on their practice in this respect, and decided that the general question involved should be discussed at a later session of the Commission.

(b) *Postal rates in mandated territories (A and B).* — The Commission having noted that in certain territories lower postal rates existed for sendings to the man-

(1) See *Monthly Summary*, Vol. VII, No. 11,

date-holding State than for other countries, the Council asked the Mandatory Powers to supply it with information which would enable the Commission to take up the question at a later session.

(c) *Treatment extended in countries Members of the League to nationals of mandated territories and wares from these territories.* — This point was raised at the preceding session of the Commission. At its September session, the Council, upon being presented with the report of the Commission, requested the latter to make a general study of the question.

2. LIQUOR TRAFFIC

The Commission had to consider certain suggestions concerning the question of the liquor traffic in mandated territories, in particular a scheme for the standard classification of alcoholic drinks.

In December 1927 the Council directed the Commission to proceed, in collaboration with the Mandatory Powers, to a thorough investigation of the causes of the increased importation of spirituous liquors into territories under B Mandate and to study what measures might be taken to remedy the situation.

3. PUBLIC HEALTH

The Commission had before it suggestion that the campaign against sleeping sickness, yellow fever and leprosy should be intensified in the African and Pacific mandated territories. It was also suggested that the number of medical practitioners in these territories should be increased.

The following took part in the work of the session :

Mlle. Dannevig (Norwegian), M. Kastl (German), Lord Lugar (British), M. Merlin (French), M. Orts (Belgian), M. Palacios (Spanish), M. Rappard (Swiss), M. van Rees (Netherlands), Marquis Theodoli (Italian), M. Nobumighi Sakonobe (Japanese), Mr. Grimshaw (International Labour Office).

* * *

The observations of the Commission will be summarised later.

VI. — Social and Humanitarian Questions.

TRAFFIC IN OPIUM AND OTHER DANGEROUS DRUGS

Permanent Central Board to be appointed under Article 19 of the Geneva Opium Convention of February 19th, 1925.

The United States Government, in reply to the Council's invitation to participate in the appointment of the Permanent Central Opium Board, has expressed its regret at its inability to do so.

In its opinion, the Geneva Convention is, in several respects, unsatisfactory and it is therefore precluded from adhering to the Convention or participating in the appointment of the Board. The note, which has been published, contains in detail the reasons for this view.

The United States, however, recognises that the traffic in narcotic drugs can be controlled only by international cooperation and proposes in continuation of its efforts towards that end, and in addition to observing its obligations under the Hague Convention, to endeavour to furnish such information as the Permanent Central Board may request.

VII. — Other Questions.

PROMOTION OF CONTACT WITH THE CHINESE GOVERNMENT

In conformity with the recommendations of the Assembly of 1921 in regard to the maintenance of contact between the Members of the League and the chief officials of the Secretariat, the Secretary-General, early in October, suggested to the Chinese Government that a high official of the Secretariat should go to Nanking in order to promote closer relations between the Chinese Government and the organs of the League.

The Government having replied that it cordially welcomed the proposal, the Secretary-General decided to entrust M. Avenol, Deputy-Secretary-General, with this mission. It is probable that M. Avenol will leave for China towards the middle of December.

VIII. — The Permanent Court of International Justice.

1. — NEXT SESSION OF THE COURT

An extraordinary session of the Court has been convened under Article 23 of the Statute for November 12th, 1928. This session will be devoted to the case between France and the Kingdom of the Serbs, Croats and Slovenes concerning the payment of various prewar Serbian loans.

At this fifteenth session, the Court will be composed as follows : M. Anzilotti (President); M. Huber (Vice-President); Lord Finlay, M. Loder, M. Nyholm, M. Altamira, ordinary judges; M. Yovanovitch, M. Beichmann and M. Negulesco, deputy judges. The French Government has been officially informed of its right to appoint, under Article 31 of the Statute, a judge *ad hoc* who may sit in the case concerning the payment of the Serbian loans; since the death of M. Weiss, the Court no longer includes a judge of French nationality. The notification sent to the French Government in the present case is moreover in conformity with the decision taken by the Court at its ordinary session in 1927; on that occasion the Court decided that, should M. Weiss, the Vice-President, not be able to sit in the Lotus case, the French Government would be entitled to appoint a judge *ad hoc*.

2. — CASE RELATING TO CERTAIN SERBIAN LOANS ISSUED IN FRANCE (1)

The counter-cases of the French and Serb-Croat-Slovene Governments were filed in the Registry of the Court on September 25th 1928, within the time limits laid down for that purpose by the Order given on May 26th by the President of the Court.

The filing of the counter-case brings to an end the written part of the proceedings in this case, which is entered on the list for the forthcoming extraordinary session.

(1) See *Monthly Summary*, Vol. VIII, No. 7, p. 198.

3. — CASE RELATING TO CERTAIN BRAZILIAN FEDERAL LOANS ISSUED IN FRANCE (1)

By the Order given on May 1st, 1928, the President of the Court, taking into consideration the terms of the Special Agreement for Arbitration concluded between Brazil and France on August 27th, 1927, had fixed the time-limit for the submission of the counter-case of the French Government for October 1st, and for the filing of the counter-case of the Brazilian Government for October 31st.

The Counter-Case of both Parties having been duly filed in October, the written part of the proceedings in this case thereby also comes to an end.

4. — CHORZOW CASE (INDEMNITIES) (2)

By an Order of the Court given on September 13th, 1928, the date upon which judgment on the merits in the Chorzow Factory case (indemnities) was rendered, it was laid down that an expert enquiry should take place in order to enable the Court to fix with full knowledge of the facts and in conformity with the principles laid down in the judgment (No. 13) the amount of compensation to be paid by the Polish Government to the German Government.

On October 16th, the President of the Court who, in accordance with the terms of the Order of Court referred to above, was called upon to choose three experts, appointed : M. Emil Collett, Consulting Engineer (Norway); M. Hans Herzog, Chief Engineer (Switzerland); and M. Iver Hoey, Managing Director of the Hafslund Carbidefabrik (Norway).

Under the terms of the same Order, the German and Polish Governments had the right each to appoint, before November 1st, 1928, an assessor to sit with the Committee of Experts in an advisory capacity. The Polish Government, availing itself of this right, has appointed as assessor M. Joseph Zawadzki, Professor at the Polytechnic School of Warsaw and Manager of the chemical factories at Grodzisk; the German Government, for its part, has appointed to act in the same capacity, M. Karl Janisch, "Baurat", member of the Board of Directors of the Bayerische Stickstoffwerke A. G.

5. — INTERNATIONAL AGREEMENTS RELATING TO THE JURISDICTION OF THE COURT.

The Governments of Germany, Panama, Chile, Ecuador, and Brazil are to be added to the list of those States who have given effect to the Registrar's circular letter of March 24th 1927, requesting that the Registry be regularly informed of the terms of any treaties, conventions, etc., governing the Court's jurisdiction.

6. — APPOINTMENT BY THE PRESIDENT OF THE COURT OF PRESIDENTS
OF CERTAIN MIXED ARBITRAL TRIBUNALS (3)

By a letter dated October 18th, 1928, Baron H. I. Nordenskjöld, President of the Greco-Turkish and Roumano-Turkish Mixed Arbitral Tribunals has forwarded to the President of the Permanent Court of International Justice his resignation from the presidency of these tribunals.

Baron Nordenskjöld had been appointed in 1925 by the President of the Court, acting in virtue of Article 92, paragraph 3, of the Peace Treaty of Lausanne.

(1) See *Monthly Summary*, Vol. VIII, No. 7, p. 198.

(2) See *Monthly Summary*, Vol. VIII, No. 7, p. 198.

(3) See *Monthly Summary*, Vol. V, No. 2, p. 40.

IX. — Forthcoming Events.

- November 19th : Permanent Legal Committee of the Transit Commission, Paris.
November 26th : International Conference on Economic Statistics, Geneva.
December 4th : Financial Committee, Geneva.
December 5th : Special Committee for the drafting of a Convention on the
 Manufacture of Arms, Munitions and War Material, Geneva.
December 10th : 53rd Session of the Council, Geneva.
December 11th : Supervisory Commission, Geneva.
December 17th : Legal Sub-Committee of Child Welfare Committee, Paris.

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