

LEAGUE OF NATIONS

Official Journal

SPECIAL SUPPLEMENT No. 56

RECORDS

3

OF THE

EIGHTH ORDINARY SESSION

OF THE

ASSEMBLY

MEETINGS OF THE COMMITTEES

MINUTES

OF THE

SECOND COMMITTEE

(TECHNICAL ORGANISATIONS)

GENEVA, 1927

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LIST OF MEMBERS

- Chairman :* The Honourable Raoul DANDURAND, C.R., C.P., LL.D. (Canada).
Vice-Chairman: His Excellency Dr. F. VEVERKA (Czechoslovakia.)
- Members :*
- Abyssinia :* His Excellency Comte LAGARDE, Duc d'ENTOTTO.
- Albania :*
- Australia :* The Honourable T. J. LEY, M.P.
Mrs. I. H. MOSS (Substitute).
- Austria :* His Excellency Dr. L. DI PAULI.
Dr. M. LEITMAIER (Substitute).
- Belgium :* M. L. DE BROUCKÈRE.
M. F. VAN CAUWELAERT.
- British Empire :* Major W. ELLIOT, M.C., M.P.
The Right Honourable Sir E. Hilton YOUNG, G.B.E., D.S.O., D.S.C., M.P.
The Honourable Mrs. Alfred LYTTTELTON, D.B.E.
- Bulgaria :* His Excellency M. Wladimir MOLLOFF.
- Canada :* The Honourable Raoul DANDURAND, C.R., C.P., LL.D.
The Honourable P. ROY, C.P., M.D.
- Chile :* His Excellency M. A. QUEZADA.
Dr. Luis Calvo MACKENNA.
- China :* His Excellency Dr. OUANG TING TCHANG.
- Colombia :* Dr. E. GAITÁN-HURTADO.
- Cuba :* His Excellency M. A. DE AGÜERO Y BETHANCOURT.
M. R. H. PORTELA.
- Czechoslovakia :* His Excellency Dr. F. VEVERKA.
- Denmark :* M. H. ANDERSEN.
M. P. MUNCH.
- Dominican Republic :*
- Estonia :* General LAIDONER.
M. K. TOFER.
M. O. ÖPIK (Substitute).
- Finland :* M. Väinö VOIONMAA.
M. KETO.
M. VALVANNE (Substitute).
- France :* M. LOUCHEUR.
M. JOUHAUX.
M. Marcel PLAISANT.
M. BASTID.
M. DE CHALENDAR (Adviser).
M. CAHEN-SALVADOR (Adviser).
M. J. LÉVY (Adviser).
M. PAMS.
- Germany :* His Excellency Dr. STRESEMANN.
Dr. BREITSCHIED.
M. IMHOFF.
- Greece :* His Excellency M. D. CACLAMANOS.
M. DENDRAMIS (Substitute).
- Guatemala :* His Excellency M. J. MATOS.
- Haiti :* His Excellency M. NEMOURS.
- Hungary :* M. P. DE HEVESY.
Baron DE VEST (Substitute).
Mlle. ROSENBERG (Substitute).

- India* : The Right Honourable the Earl of LYTTON, G.C.S.I., G.C.I.E.
Sir C. P. Ramaswami AYYAR, K.C.I.E.
Sir FAZL-I-HUSSAIN.
- Irish Free State* : Mr. J. P. WALSHE.
Mr. M. MACWHITE.
- Italy* : His Excellency M. SUVICH.
The Honourable C. TUMEDEI.
The Honourable E. BELLONI.
The Honourable E. ROSSONI.
The Honourable V. CASALINI.
Count A. CIPPICO.
The Honourable D. ALFIERI.
Professor G. GALLAVRESI.
- Japan* : His Excellency M. NAGAI.
- Latvia* : His Excellency M. SEYA.
- Liberia* : His Excellency Baron R. A. LEHMANN.
- Lithuania* : His Excellency Dr. ZAUNIUS.
- Luxemburg* : M. VERMAIRE.
- Netherlands* : His Excellency Count VAN LYNDEN VAN SANDENBURG.
M. FRANÇOIS (Substitute).
M. DE KAT ANGELINO (Substitute).
- New Zealand* : The Honourable Sir James PARR, K.C.M.G.
Mr. C. KNOWLES (Substitute).
- Nicaragua* : His Excellency M. F. MEDINA or
Dr. A. SOTTILE.
- Norway* : Dr. J. S. WORM-MULLER or
Mme. M. LARSEN-JAHN.
- Panama* : His Excellency M. Antonio BURGOS.
M. F. VELARDE (Substitute).
- Paraguay* : Dr. R. CABALLERO.
- Persia* : His Excellency Hussein Khan ALÂ.
M. André HESSE.
Colonel MACCORMACK (Substitute).
- Poland* : His Excellency M. H. GLIWIC.
M. TARNOWSKI (Substitute).
- Portugal* : His Excellency Dr. A. DE VASCONCELLOS.
M. F. DE CALHEIROS E MENEZES.
- Roumania* : His Excellency Dr. LUPU.
Mlle. H. VACARESCO.
M. S. PUSCARIU.
M. A. NASTA.
His Excellency M. E. NECULCEA.
- Salvador* : His Excellency Dr. J. G. GUERRERO.
- Kingdom of the Serbs,
Croats and Slovenes* : His Excellency M. D. DJOURITCH.
M. PITAMIC (Substitute).
- Siam* : His Highness Prince VARNVAIDYA.
His Highness Prince TONGTOR (Substitute).
- South Africa* : Mr. C. I. PIENAAR.
- Sweden* : His Excellency M. J. E. LÖFGREN.
M. R. J. SANDLER.
M. A. F. VENNERSTEN.
- Switzerland* : Colonel BOLLI.
M. D. SECRETAN.
M. DE REYNOLD (for Intellectual Co-operation).
M. STUCKI (for Economic Conference).
- Uruguay* : His Excellency Don Pedro COSIO.
- Venezuela* : His Excellency M. ZUMETA.
His Excellency M. C. PARRA-PÉREZ.
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SECOND COMMITTEE
OF THE EIGHTH ORDINARY SESSION OF THE ASSEMBLY
(TECHNICAL ORGANISATIONS.)

AGENDA

1. WORK OF THE INTERNATIONAL COMMITTEE ON INTELLECTUAL CO-OPERATION.
 2. WORK OF THE HEALTH ORGANISATION.
 3. MISSION OF THE PRESIDENT OF THE HEALTH COMMITTEE TO SOUTH AMERICA.
 4. WORK OF THE ORGANISATION FOR COMMUNICATIONS AND TRANSIT, INCLUDING THE WORK OF THE THIRD GENERAL CONFERENCE.
 5. RESULTS OF THE CONFERENCE FOR THE CREATION OF AN INTERNATIONAL RELIEF UNION.
 6. QUESTION OF ALCOHOLISM : PROPOSAL BY THE FINNISH, POLISH AND SWEDISH DELEGATIONS.
 7. MEASURES FOR THE SETTLEMENT OF BULGARIAN REFUGEES.
 8. WORK OF THE ECONOMIC COMMITTEE.
 9. OPENING OF A PROTOCOL ON THE EXECUTION OF FOREIGN ARBITRAL AWARDS.
 10. INTERNATIONAL ECONOMIC CONFERENCE : REPORT ON THE WORK OF THE CONFERENCE : THE ECONOMIC ORGANISATION OF THE LEAGUE OF NATIONS.
 11. WORK OF THE FINANCIAL COMMITTEE.
 12. MEASURES FOR THE SETTLEMENT OF GREEK REFUGEES : PROPOSED GREEK LOAN.
 13. ITALIAN OFFER FOR THE CREATION OF AN INTERNATIONAL EDUCATIONAL CINEMATOGRAPHIC INSTITUTE AT ROME.
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FIRST MEETING

Held on Tuesday, September 6th, 1927, at 10 a.m.

Chairman : Mr. DANDURAND (Canada).

1. Opening Speech by the Chairman.

The CHAIRMAN thanked his colleagues for the honour which they had done him and his country in calling him to preside over the Second Committee's work, the importance and scope of which had contributed in giving to the world a more definite realisation of the solidarity of nations.

2. Election of the Vice-Chairman.

On the motion of M. ANDERSEN (Denmark), M. VEVERKA (Czechoslovakia) was elected Vice-Chairman by acclamation.

M. VEVERKA (Czechoslovakia) thanked his colleagues for the honour which they had shown him in choosing him for the third time to be Vice-Chairman of the Second Committee.

3. Publicity of the Meetings.

On the motion of the CHAIRMAN, *the Committee decided that its meetings should, as a general rule, be public, but that, at the request of a delegate, the officers of the Committee might decide that certain meetings should be held in private.*

4. Agenda and Programme of Work : Election of the Rapporteur for Intellectual Co-operation.

The CHAIRMAN observed that the questions on the agenda might be divided into four main heads : Intellectual Co-operation, Health, Communications and Transit, Economic and Financial Questions.

The Financial Committee being at present in session, the questions relating to the Economic and Financial Organisation of the League of Nations could only be dealt with when the reports of this Committee had been submitted.

At its next meeting, the Committee could take up the examination of the work of the Committee on Intellectual Co-operation, whose distinguished Chairman, M. Lorentz, was now at Geneva and at the service of the Committee.

On the suggestion of the Chairman, Dr. BREITSCHIED (Germany) was elected Rapporteur for this question, the Committee reserving the right to appoint the Rapporteurs for the other questions at the next meeting.

Dr. BREITSCHIED (Germany) agreed to act as Rapporteur, and thanked the Committee.

M. LOUCHEUR (France) regretted that the discussion on the work of the International Economic Conference should be placed at the end of the agenda. He hoped that the Financial Committee would finish its work in time to allow the Second Committee to deal with this question earlier.

Further, he considered that the question of alcoholism would be better left to the Fifth Committee (Social Questions). He therefore begged the Chairman to arrange with the Secretariat and the General Committee of the Assembly that this question should be referred to the Fifth Committee.

M. VENNERSTEN (Sweden) seconded this proposal.

M. VEVERKA (Czechoslovakia) pointed out that this question had been included in the agenda of the Second Committee on account of its connection with public health.

M. DE VASCONCELLOS (Portugal) was of the same opinion, and stated that he would prefer to see this question kept on the agenda of the Second Committee.

Sir Ramaswami AYYAR (India) seconded M. Loucheur's motion that the work of the Economic Conference should be discussed as early as possible, since this question affected the economic pacification of the world.

M. LOUCHEUR (France), taking an entirely practical point of view, feared that the Second Committee would find itself confronted with too heavy an agenda, whilst the Fifth Committee had for the present only a few questions before it.

M. NAGAI (Japan) was of opinion that the question of alcoholism could be dealt with from different points of view, according to the intention of the country that had requested its insertion in the agenda, and therefore it would be better to leave it to the General Committee of the Assembly to decide which Committee should deal with the matter.

M. DE VASCONCELLOS (Portugal) held that the question was of great importance from the point of view of public health. The Second Committee was the better fitted to deal with the matter, since the Fifth Committee could only discuss it from a social standpoint.

M. ZUMETA (Venezuela) suggested that a mixed committee should be set up composed of members of the Fifth Committee and two delegates from the Second Committee.

M. DE VASCONCELLOS (Portugal) agreed to this proposal.

M. DE BROUCKÈRE (Belgium) thought that it would be more prudent to submit the problem to the General Committee.

The CHAIRMAN agreed, and added that the debate on the Work of the Economic Conference would be held as early as possible.

The Committee adopted its agenda, but agreed to submit to the General Committee of the Assembly the question of the Committee which should be called upon to discuss the question of alcoholism.

SECOND MEETING

Held on Thursday, September 8th, 1927, at 3 p.m.

Chairman : Mr. DANDURAND (Canada).

5. Retention of the Question of Alcoholism on the Agenda of the Second Committee.

The CHAIRMAN stated that, in response to the wishes of his colleagues, he had referred to the General Committee of the Assembly the question whether the problem of alcoholism should be submitted to the Fifth Committee. The General Committee held that only the Assembly could take up a fresh discussion of the matter, and consequently the question of alcoholism remained on the agenda of the Second Committee.

6. Composition of the Swiss Delegation on the Committee.

The CHAIRMAN read a letter from M. Motta, President of the Swiss Confederation, stating that M. DE REYNOLD, Professor of Berne University, had been appointed to take part in the discussions of the Second Committee on intellectual co-operation, as expert attached to the Swiss delegation.

7. Appointment of Rapporteurs.

The CHAIRMAN invited the Committee to appoint Rapporteurs to prepare preliminary reports on the questions on the agenda.

The following proposals were adopted :

- Sir Ramaswami AYYAR (India) : Work of the Health Organisation;
- Dr. Calvo MACKENNA (Chile) : Mission of the President of the Health Committee to South America;
- M. DE BROUCKÈRE (Belgium) : Work of the Organisation for Communications and Transit;
- Baron DE VEST (Hungary) : International Relief Union;
- M. LUPU (Roumania) : Alcoholism;
- Major Walter ELLIOT (British Empire) : Settlement of Bulgarian Refugees;
- M. GLIWIC (Poland) : Work of the Economic Committee;
- Dr. LEITMAIER (Austria) : Opening of a Convention regarding the Execution of Foreign Arbitral Awards;
- M. LOUCHEUR (France) : International Economic Conference;
- M. DJOURITCH (Kingdom of the Serbs, Croats and Slovenes) : Work of the Financial Committee;
- M. SUVICH (Italy) : Settlement of Greek Refugees.

8. Work of the International Committee on Intellectual Co-operation.

The CHAIRMAN called upon the Committee to consider the work of the International Committee on Intellectual Co-operation, whose efforts to establish a better mutual understanding amongst peoples should contribute to moral disarmament and the maintenance of peace.

The Chairman said he was happy to welcome one of the pioneers in this field, Professor Lorentz, whom he called upon to speak.

Professor LORENTZ, Chairman of the Committee on Intellectual Co-operation, spoke as follows : Mr. Chairman, ladies and gentlemen—I am glad to have this opportunity of giving you a few particulars of the work of the Committee on Intellectual Co-operation and of telling you a little of what it has done or tried to do, of its methods and of what it proposes to attempt.

In the brief account that I shall have the honour of giving you, I shall spare you too many details, for in the report presented to the Council, and now submitted to you, you will find a summary of the Committee's work during the past year. You will also see an account of the work accomplished by the Institute for Intellectual Co-operation in Paris, of which I shall likewise have occasion to speak. The Committee and the Paris Institute—which is primarily its executive organ—are indeed inseparable, and must share the praise, if there should be any, and the criticisms.

When, five years ago, the League of Nations decided to take under its patronage intellectual co-operation in the fields of science, art and, to a certain extent, education, those who had put forward the proposal—and to whom all credit is due—thought, in the first place, that, in order to disseminate among the nations the ideas and sentiments which brought about the creation of the League, it was essential to seek the help of those who could be called intellectuals in the widest sense of the term. It was realised that they had perhaps greater opportunities than anybody else of arousing the feeling of brotherhood and solidarity among the peoples.

Of course, the international co-operation which had already long existed was not overlooked. This co-operation showed itself, for instance, in the relations between the various scientific academies and other organisations in the several countries, in international congresses of every kind, and in many a venture which could never have succeeded without extensive collaboration; it was based also on many personal ties which may become yet stronger. Recognising the great value of all this, and impressed by the disastrous effects of the war, the League worked with all its authority to promote reconstruction and reconciliation. If I understand aright the meaning of its decision, it had in view two factors: first, the moral effect of the good example which can and should be given by intellectual people and, secondly, the practical ways in which they can contribute to the general welfare, and hence to international understanding and the maintenance of peace.

I cannot resist calling your attention for a few moments, though it is hardly necessary, to all we already owe to co-operation, and to the increasing necessity for it. A single illustration will suffice. Next week, at the invitation of the Italian Government, physicists will pay a tribute to the memory of Alessandro Volta, and we shall then recall that his battery was for a long time the only means of producing electric current. That will make us think of the discoveries of those who came after him—Ørsted, Ampère and Faraday—which are at the base of modern electro-technics, and of the great masters of theory, like Wilhelm Weber and Clerk Maxwell. Thus there will unroll before us a vision of progress of which we may be justly proud, even if our own country has not contributed very largely in that special field. We shall see, among other things, how apparatus of an amazing sensitivity, due to a combination of ideas and knowledge from widely differing sources, enables us to follow the electro-magnetic waves of Heinrich Hertz far beyond the laboratory walls, and to see them travel around the world in one-seventh of a second, not once but over and over again. Thanks to the genius of Marconi, these invisible waves have become for us faithful messengers for whom distance does not exist.

Examining the nature and properties of these waves, we find them at the end of a long series, those in the middle recalling the genius of Huyghens, Fresnel and Young, while at the other end of the scale are the Röntgen rays and the gamma rays of radio-active bodies. If, finally, curious to fathom these mysteries, we seek to understand the laws that govern all these phenomena, we shall find ourselves faced with the two great rival theories of modern physics, namely, the theory of relativity, and the quantum theory.

As to the practical results to which I have just referred, it is unnecessary to urge these on politicians, whose preoccupation is that the constantly growing populations of the world shall live under the best possible conditions. They are in a better position than myself to appreciate efforts which are destined to economise the treasures of nature in raw materials and power, researches which aim at increasing the crops, fighting disease and protecting navigation.

But to come back to our Committee, I think it may be said that it has never failed to preserve its international and universal character, and that it has always been faithful to the principles of the League of Nations. As is only to be expected, these principles are reflected in its composition, for its members are appointed directly by the Council of the League. But I would emphasise that it has always shown a similar spirit of impartiality in choosing the members of its Sub-Committees, which are open to every nation. I have often remarked with great satisfaction that men belonging to nationalities that were pitted against each other in the war are now able to work together again in intellectual comradeship. What I have just said of the plenary Committee and the Sub-Committees applies equally to the Institute, which has also insisted on strict impartiality and real internationalism.

I venture to add that we shall continue to be guided by these principles if the Council should consult us as to the choice of new members.

As an Advisory Committee of the League, among the first questions to which the Committee turned its attention was the influence of education on the mentality of youth. In accordance with the recommendation made by M. Casares, we shall do what we can to see that in the teaching of history wrong ideas are not given with regard to the actions and opinions of foreign nations, and we have been particularly glad to have the opportunity of associating ourselves with the study of methods for the instruction of youth in the existence and aims of the League and for inculcating the idea that intellectual co-operation should be the normal method of conducting world affairs.

We read with the greatest interest the report on the meeting of experts summoned to study this problem, and we declared ourselves in agreement with the proposals that were the outcome of their work. I hope that the report and proposals will meet with the same favourable reception in your Assembly.

I hope, too, that the communications on the work of our Committee which you have received during the five years of its existence will have given you the impression not only that we are enthusiastic but also that we are steadily improving our methods of work and acquiring a clearer idea of what we propose to do.

We found ourselves at first in a vast field in which we had to grope our way. It was easy to foretell that there would be difficulties, that patience would be needed and that we should have even to justify our existence. But there was nothing to discourage us in all that. For my part—and I think I can say the same of all the other members of the Committee—although I did not at once see clearly what we were going to do, I did not hesitate a moment when the Council offered me a place on the Committee. I regarded it as a duty to do anything the League of Nations asked. I trusted in its wisdom, and if we were able to submit proposals which it could approve, I was sure, in advance, of its support. I well knew too that, if the need arose, the League of Nations would not forget that great resources are needed in order to achieve great results.

Now, after these years of experiment, the situation is very different from what it was at the beginning. It has been possible to form an organisation, a mechanism, I might say, such as has never existed before and could hardly have been brought into being without the help of the League. This happy issue was largely due to the first Chairman of the Committee, M. Henri Bergson, who showed an incomparable devotion in the execution of this work.

There now exists a network of National Committees which is continually extending. We hope that circumstances will make it possible to bring their representatives together from time to time. We have the Institute, the zeal and indefatigable activity of which are gaining universal recognition. It has contacts all over the world, and has received valuable assistance from the delegates which a large number of States have appointed specially for the purpose.

All this has enabled us to approach the study of a large variety of questions, always with the aim of promoting an exchange of views and closer fellowship. A method we have found more and more useful is to get together a few specially qualified persons to make an exhaustive study of a particular problem. If, naturally, we cannot be well informed on every subject, at least we know where to apply in order to learn what we do not know. We are in touch with a large number of organisations and are advised of the proposals and schemes everywhere in the making, and we take an interest in all congresses, at many of which we have been represented.

If you care to glance at the reports of our work, you will find a long list of the questions with which we have dealt. It begins with our enquiry, in the first year, into the conditions of intellectual life shortly after the war. This enquiry revealed the distress in which many universities and other institutions were plunged at that time, and directly or indirectly—in a very small way, it is true—we were able to help some of them. Next come important international problems connected with scientific and university life, such as exchanges of professors and students, travelling facilities for scholars and teachers, international scholarships, and the admission of young scientists to the laboratories, museums and other institutions in foreign countries. Our ambition is to be the advisory centre and centre of information in all these matters. Another piece of work we have attempted is the unification and co-ordination of scientific literature, chiefly in connection with the physical, economic and biological sciences. In this direction our efforts were sometimes rewarded with very gratifying results.

A great deal of trouble was taken to collect information as to the organisation of libraries, the exchange of manuscripts and books, archives and their accessibility and, in the rooms of the Institute, there have been meetings of mathematicians, historians, meteorologists, representatives of the film industry, and many other groups. Next year it is proposed to have a meeting of experts to consider the quality of modern paper and ink and everything bearing on the preservation of books and manuscripts.

I must not forget in this rapid survey to mention the remarkable work carried out by the Subcommittee on Arts and the corresponding section of the Institute. I mean the work of the Museums Office, with its publication *Museion*, which you may have noticed at the exhibitions of engravings held at Paris, Madrid and Rome (the exhibition is now being held here at Geneva); and the Congress of Popular Art which is in preparation for next year. I should like to mention also the questions in connection with copyright and the Berne Convention and, in particular, the reports to which M. Ruffini's proposal regarding scientific property has given rise.

Of course, the methods adopted have varied in each case according to the circumstances, but our intention has always been the same. Although in many cases the initiative must come from us, we have no wish to interfere with individual efforts or to substitute for them a barren centralisation. Our only desire is to contribute towards progress by putting at the service of those concerned all the facilities at our command.

We are therefore always glad to receive suggestions and to welcome new ideas and serious proposals. Thus we readily responded to the appeal of the Chairman of the International Research Council for the continuation of the publication of the *Annual Tables of Constants and Mathematical Quantities*. M. Charles Marie, who has worked on this publication for years, was good enough to come to Geneva to explain to us the great utility of the *Tables* in pure and applied science, and the necessity of increasing and regularising the grants which have been allotted for

their publication. We are satisfied that M. Marie's wishes, in which he is supported by competent authorities, are entirely justified, and, if the Assembly will also express its sympathy with this undertaking, we hope, with your approval, to be able to make representations to Governments and to certain scientific bodies, through the National Committees, the Institute and the delegates attached to it, and thus obtain for the Committee for the *Annual Tables* the small subsidies which it needs.

I have spoken of great aims and great resources. I must correct myself. The aims and efforts which I have described do not deserve to be called great if they are taken separately, but they are undoubtedly great if taken as a whole, and it is for that whole that, in the course of years, the necessity may arise for what I have called great resources. But the essential need is the continued moral support and confidence of the League.

The CHAIRMAN thanked Professor Lorentz warmly for his lucid statement. As no delegate desired to put any questions, he called upon Dr. Breitscheid, Rapporteur for intellectual co-operation, to speak.

Dr. BREITSCHIED (Germany) read his report upon the work of the Committee on Intellectual Co-operation and of the Institute during the last ten months (Annex 1).

The CHAIRMAN thanked Dr. Breitscheid for his very full report, which would be discussed during the next meeting. Upon the termination of the discussion, he would invite the Rapporteur to submit a draft resolution upon the questions dealt with, summarising the Committee's debates on intellectual co-operation.

Professor LORENTZ expressed his pleasure at Dr. Breitscheid's report, since the latter had himself stated that he was satisfied with the work of the International Committee on Intellectual Co-operation.

He regretted, nevertheless, that the suggestion of the Committee of Experts that lecturers should be sent to different countries in order to help the teaching staff in their efforts to instruct children and young people in the aims of the League had not been approved, for reasons of economy, and he commended this matter to the Committee's sympathy.

The CHAIRMAN assured Professor Lorentz that the Committee was entirely in sympathy with his recommendation, of which he would remind his colleagues when the matter came up for discussion.

THIRD MEETING

Held on Tuesday, September 13th, 1927, at 10 a.m.

Chairman : Mr. DANDURAND (Canada).

9. Programme of Work of the Committee.

The CHAIRMAN said that the question of the International Relief Union, which the General Committee of the Assembly had proposed to refer to the Fifth Committee, had finally been maintained on the agenda of the Second Committee.

The Italian proposal for the creation at Rome of an International Educational Cinematographic Institute had been referred to the Second Committee and could be dealt with immediately after the questions relating to intellectual co-operation, with which it was connected.

M. LOUCHEUR (France) remarked that the Second Committee would have very few meetings left at which to deal with a large number of questions and that it should decide to meet twice a day, notwithstanding the inconvenience which this arrangement might cause to certain delegations. He further proposed that a time-limit should be placed upon speeches.

Mlle. VACARESCO (Roumania) considered M. Loucheur's proposal impracticable since several delegates were, like herself, members of two Committees.

M. LOUCHEUR (France) replied that he was in the same position, but, if the Second Committee wished to get through its agenda within the prescribed time, it was indispensable that it should meet twice a day.

M. DE BROUCKÈRE (Belgium) supported M. Loucheur's proposal that a time-limit should be placed on the speeches. As regards the second proposal, he considered that it was too late, after the delegations had made all their arrangements, to modify the announcements made by the President of the Assembly.

Dame Edith LYTELTON (British Empire) suggested that the Committee should meet on certain evenings after dinner.

The CHAIRMAN asked M. Loucheur not to insist upon his second proposal for the moment. It would be a matter for arrangement with the other Committees. On the other hand, he was in favour of the proposed time-limit for each speaker.

10. Work of the International Committee on Intellectual Co-operation (Continuation).

Hussein Khan ALÂ (Persia) stated that special importance was attached to the work of intellectual co-operation by Persia, which had always been a centre of culture for the whole of the East. The essential feature of the present time was the extension of education to the masses of the people, a necessary condition for that intellectual co-operation which the League of Nations considered desirable and was endeavouring to realise.

The Persian Government, notwithstanding its restricted budgetary resources, was endeavouring to open primary schools throughout the country, to obtain competent teachers, to send students and scholars to complete their education abroad, and, on the other hand, to call in the aid of foreign professors to co-operate in the work of organising education in Persia.

Persia had also taken all necessary steps to instruct the youth of the country in the aims and ideals of the League. In this connection, he considered that the suggestion of the Sub-Committee of Experts for the publication of a special work of reference and periodical summaries on the work of the League of Nations, to be sent to the principal educational reviews, was a particularly useful one.

M. GALLAVRESI (Italy) was of opinion that the International Institute for Intellectual Co-operation had proved its worth and required now rather to intensify its efforts than to extend them, both in the field of bibliography, of which special mention should be made in the report, and in regard to the Museums Office, which had raised the greatest hopes. No further step forward could be considered until definite results had been obtained in those two fields.

M. DI PAULI (Austria) noted with particular satisfaction two points in the report. One was the statement of the International Committee on Intellectual Co-operation that international intellectual effort must be the prolongation of national culture. The other point was the reference to the need for co-ordination between education in the home, religious training and training given in the schools.

As regards the education of pupils in primary schools in the aims of the League, the first essential was to arouse the curiosity of the children before any definite instruction was given. The compilation of school textbooks calculated to bring out a spirit of international understanding was a condition essential to the preparation of the young for international co-operation.

The Austrian delegate asked whether M. Casares' proposal had produced any results.

Referring to movements which existed in his country for the development of intellectual co-operation, M. Di Pauli alluded particularly to the holiday courses arranged by the University of Vienna, at which instruction was given in French and in English. Those courses attracted a large number of professors and students from all countries. There was also the Consular Academy at Vienna, an international school giving students special instruction necessary to obtain diplomatic or consular employment abroad, or to enter into commercial and economic work. This school, which also trained the future workers in international relations, was inspired with the idea of closer intercourse between nations. It could be attended by students from all countries and was ready to co-operate with similar institutions in other countries.

The Austrian delegation supported the conclusions of the report on intellectual co-operation and the creation of a League of Nations Educational Information Centre, as well as proposals (a) and (b) of the said report.

M. OPRESCU (Secretary of the International Committee on Intellectual Co-operation) explained the Casares proposal, which was that, if National Committees found that there were obvious errors in any scholastic works published in a country, attention should be drawn to them with a view to their being corrected. If the author did not think it advisable to correct the errors that had been pointed out to him, the position would remain unchanged. The International Committee on Intellectual Co-operation desired to avoid any action that might give rise to controversy.

So far no request of that kind had been submitted to the International Committee.

Sir FAZL-I-HUSSAIN (India) paid a tribute to the efforts of the International Committee on Intellectual Co-operation to break down intellectual barriers in order to prepare the way for removing material barriers between the nations. He considered that the work of the Committee was still somewhat lacking in universality, particularly as regards Oriental countries.

In the field of bibliography, for instance, the Indian delegate thought it his duty to draw the attention of the Committee on Intellectual Co-operation to the utility of extending research into pre-Græco-Roman antiquities.

He also considered that international culture should be based on national culture, reflecting the particular genius of the country from which it had sprung. He concluded by insisting upon the necessity for the development of the spirit and character of universality by the Committee on Intellectual Co-operation.

Dame Edith LYTTLTON (British Empire) said that the speech of the Indian delegate was a good example of the difficulties which the Committee on Intellectual Co-operation had to face, and it was therefore important for the Committee to concentrate on a few subjects at a time.

As regards the creation of the Educational Information Centre advocated in the report of the Committee on Intellectual Co-operation, Dame Edith Lyttelton thought that it was preferable

that there should be only one bureau for this purpose : the work could not be divided between Paris and Geneva.

She was also of opinion that the initiative in the matter of the protection of the beauties of nature might well be left to the individual countries. She asked for further information regarding the Committee on Intellectual Workers set up by the International Labour Office and favoured the suggestion of the Rapporteur for the revision of the field of activities of the Committee on Intellectual Co-operation.

M. OPRESCU, Secretary of the International Committee on Intellectual Co-operation, explained that the League of Nations Educational Information Centre had been organised both at Geneva and in Paris because there were two distinct branches of the subject :

1. Information would be sent to and received from Governments, and it was natural, therefore, that this information should be concentrated at Geneva.
2. Other information would come from international educational associations which already had a Committee in the Institute for Intellectual Co-operation at Paris.

Accordingly, the Sub-Committee of Experts and the Committee on Intellectual Co-operation had considered it more logical to divide the work instead of centralising it at Geneva. The two branches were, of course, in close contact with one another.

As regards the protection of the beauties of nature, it was not at all the intention of the Committee on Intellectual Co-operation to take up this question. The report simply provided that the Artistic Relations Section and the Legal Section of the Institute should collect information, and eventually publish a report or make recommendations to the Governments.

The Committee on Intellectual Workers had been created on the initiative of the Governing Body of the International Labour Office, which had invited the Committee on Intellectual Co-operation to send representatives.

Mlle. VACARESCO (Roumania) drew attention to the great activity of the International Institute in Paris, in which she was particularly interested. Roumania was a great admirer of that work and its emphatically international character.

She expressed her satisfaction at the creation by the Institute of three chalcographic exhibitions—in Paris, Madrid and Rome—and on the steps it had taken for the holding in Paris of the First Cinematograph Congress, and for convening a Congress of Popular Arts at Prague in 1928, to be followed by an exhibition of Popular Arts which was strongly supported by Switzerland.

The financial requirements of the Institute should be clearly pointed out to Governments and they should also have the courage to appeal to generous donors for support.

Dr. BREITSCHIED (Germany) said that Germany was deeply interested in the work of intellectual co-operation and that between now and the end of October it intended to form a National Committee for that purpose. Germany also attached great importance to the exchange of students and professors, and to the question of national centres for international studies, and proposed to set up a central bureau shortly.

As regards the question of the adoption of a uniform duration of copyright after the author's death, Dr. Breitscheid shared the view of his Government, which was that a period of thirty years was sufficient to ensure the rights of the author's family, while safeguarding the interests of the public, especially with reference to textbooks or literary extracts.

An important work had just been accomplished in Germany, in regard to the unification of nomenclature, by the publication of an international dictionary of merchandise in six languages—English, French, Spanish, Italian, Russian, and German.

Dealing with the problem of education, Dr. Breitscheid said that efforts were being made in Germany to eliminate from textbooks anything likely to create or maintain national prejudices in the pupil, and in this connection he mentioned a decree recently issued by the Minister for Public Education in Prussia requiring school authorities to include in their curriculum instruction in the work and aims of the League.

M. VEVERKA (Czechoslovakia) said that the Czechoslovak Government, which was following with interest and satisfaction the work of the Committee and International Institute for Intellectual Co-operation, would undertake to facilitate in every possible way the work of the Organising Committee of the first Popular Arts Congress at Prague, for which the Committee had been good enough to accept the Czechoslovak Government's invitation.

Referring to the recommendations of the Sub-Committee of Experts adopted by the Committee and aiming at the instruction of young people in the existence and aims of the League of Nations, M. Veverka said that a great number of them were already applied in Czechoslovakia, and would without doubt produce excellent results.

As to the formation of national groups of translators, which had a particular interest for the Czechoslovak Government, he hoped that everything would be done to find a prompt solution for this problem. The Czechoslovak Government also attached great importance to a periodic meeting of the National Committees and to a wider representation of national elements on the International Committee.

In conclusion, M. Veverka dwelt on the interest which his Government took in the work of the Committee and Institute for Intellectual Co-operation, an interest of which it had given material proof by recognising the necessity for improving the financial position of the Institute.

Colonel BOLLI (Switzerland) expressed the thanks of the Swiss delegation for the congratulations offered to the town of Berne and to the Swiss Confederation for organising an Exhibition of Popular Arts. As regards the educational cinema, he drew attention to the Congress held in

April, the organisation and very instructive results of which were also worthy of the Committee's attention.

M. NAGAI (Japan) described the measures taken in his country for instructing young people in the existence and aims of the League of Nations and recalled the important part played by Dr. Nitobé, who, since his return to Japan, where he was a member of the Chamber of Peers, had delivered a series of lectures on the League of Nations. These lectures and the interest which Japan took in the efforts to attain intellectual co-operation would not be long in producing good results.

Dame Edith LYTTELTON (British Empire) wished to add a word to her previous description of the work done in Great Britain in instructing young people in the existence and aims of the League. To this end, the British Government had convened a congress of local education authorities and this congress had given directions for the compilation of school handbooks. Voluntary societies had also shown themselves very active in responding to the desire expressed by the Sub-Committee of Experts.

Mlle. VACARESCO (Roumania) also wished to supplement the information she had previously given. In Roumania, an original method of awakening interest in the aims of the League had been found by asking the pupils of certain *lycées* to give in their essays their opinion of the League. Prizes had been given for the best essays. A feminine organisation was responsible for initiating this method.

Dr. BREITSCHIED (Germany) read the following draft resolution :

"The Assembly has noted with satisfaction the favourable reports presented by the International Committee on Intellectual Co-operation and the Governing Body of the International Institute for Intellectual Co-operation. These reports show that the Intellectual Co-operation Organisation has now in hand a large number of definite and practical undertakings of international co-operation in regard to various scientific, artistic and literary activities, and that results have already been obtained.

"The Assembly observes that, during the past year, several nations, in response to the appeal it made in the previous year, have made a grant to the International Institute of Intellectual Co-operation. The countries making such grants are at present as follows : Austria, Czechoslovakia, France, Hungary, Italy, Monaco, Poland and Switzerland. The Assembly hopes that their example will be followed by the other nations. The reports now before it show clearly that it is only the smallness of its financial resources which prevents the Intellectual Co-operation Organisation from rendering all the services which may now be expected of it.

"The Assembly is glad to see the increase in the number and activity of National Committees on Intellectual Co-operation. The regular co-operation between well-organised National Committees and the International Committee is of ever-increasing utility to the work of intellectual co-operation. The Assembly would therefore refer to the recommendation it made in 1924 and invite the States Members of the League which have not already done so to consider the possibility of providing the necessary funds to meet the expenses of their respective National Committees.

"The Assembly notes, as being particularly worthy of attention and encouragement, the proposals of the Committee on Intellectual Co-operation in regard to the following points :

"1. The creation at the International Institute of Intellectual Co-operation of an international co-ordination service of information offices attached to libraries. The Assembly emphasises the importance, in this connection, of National Information Offices, and trusts that such offices may be established in those countries where they do not already exist.

"2. The proposals for co-ordination between the organs of bibliography for the various sciences drawn up by the Committees of experts, under excellent technical conditions, in such a way as to give every satisfaction to the persons concerned.

"3. The recommendation made by the International Committee in favour of the International Office for Annual Tables of Constant and Mathematical Quantities. Governments, scholars and industrial organisations are equally interested in the continuance of this enterprise, which is at present in danger owing to lack of funds. An understanding between Governments is extremely desirable in order to ensure the regular publication of the Tables.

"4. The steps taken with a view to :

"Preparing for the Popular Arts Congress;

"An international agreement with regard to casts;

"An extension of the work of museums as a means of artistic education, etc.

"The Assembly thanks the Czechoslovak Government for the subsidy so generously granted in order to facilitate the holding of the Popular Arts Congress at Prague. It congratulates the Swiss Federal Government, and more particularly the City of Berne, on the initiative regarding an International Exhibition of Popular Arts to be held in that city. The Assembly requests the Secretary-General of the League of Nations and the Institute for Intellectual Co-operation to render every assistance in their power to the promoters of this enterprise.

"The Assembly has noted the remarkable report presented by M. Jules Destrée on behalf of the Sub-Committee of Experts for the instruction of children and youth in the existence and aims of the League of Nations. It approves the recommendations made by the experts, and instructs the Secretary-General to communicate them to the Governments of the States Members of the League of Nations, requesting them, so far as may be possible in each particular case, to take the necessary measures to give effect to the recommendations.

"The Assembly approves the creation of a League of Nations Educational Information Centre under the conditions laid down by the Sub-Committee of Experts. It decides that the Sub-Committee shall continue its work on the lines suggested by the French representative in his report approved by the Council at its meeting of September 2nd, 1927."

The draft resolution was adopted.

The CHAIRMAN thanked the Rapporteur, on behalf of the Committee, for the remarkable way in which he had accomplished his task and proposed that he should be appointed to submit the report to the Assembly.

This proposal was adopted.

11. Creation of an International Educational Cinematographic Institute at Rome.

M. GALLAVRESI (Italy) submitted to the Committee the following draft report on the Italian Government's proposal for the creation of an International Educational Cinematographic Institute at Rome :

"The proposal of the Royal Italian Government, submitted by Senator Cippico to the eighth ordinary session of the Assembly on the 6th instant and referred to the Second Committee for consideration by the Assembly's resolution of the 9th instant, provides the means of carrying out certain suggestions made by Dr. Breitscheid, Rapporteur to the Second Committee for questions concerning intellectual co-operation, and happily extends their scope.

"Dr. Breitscheid has already pointed out that cinematography is an important factor in education, summarising thus the results of very wide experience and endorsing the resolutions of various congresses and of the Committee on Intellectual Co-operation.

"The Italian Government's proposal has indeed in view the creation at Rome of an International Educational Cinematographic Institute, under the auspices of the League of Nations, but to be carried on at the expense of the Italian Government and established in a palace offered by that Government. It is therefore incumbent upon the Assembly to take note of the offer of the Italian Government and to request the Council, after consulting the competent organisations, if necessary :

"(a) To determine, by agreement with the Italian Government, the powers and duties of the new Institute;

"(b) To conclude with the Italian Government all the necessary agreements for ensuring the organisation and normal working of the Institute."

M. Gallavresi added that he was of opinion that account should be taken of the suggestions of the Congresses of Paris and Basle. He considered that the technical methods of application should be referred to the Council and the technical organisations of the League for consideration; the Committee could immediately take a decision on the principle involved in the proposal which the Italian Government had been glad to make, in order to lighten the work of the Paris Institute.

Mr. LEY (Australia) appreciated the value of the Italian motion, but thought that certain technical matters should not be left out of consideration—for example, climatic questions, since the matter concerned films. If the Secretariat were instructed to examine these questions and was to be responsible for the administration of the proposed Institute, the question would arise whether its seat should be at Rome or Geneva. In any event, the question was very important and deserved serious preliminary study in collaboration with experts.

M. LOUCHEUR (France), while appreciating the generous offer of the Italian Government, declared that, for his part, he was not prepared immediately to adopt a motion as formal as that which had been submitted, the question being much more complex than appeared at first sight. The motion under consideration ought perhaps to be co-ordinated with the decision of the International Labour Office concerning the establishment of a social cinematographic service.

Furthermore, at the time of the creation of the International Institute for Intellectual Co-operation, the discussions had been very long, and the opinion of the International Committee on Intellectual Co-operation had been asked. The same had been done more recently at the time of the creation of the Institute of Private Law.

The French delegation therefore thought that the Committee should confine itself to taking note of the generous offer which had been made and to requesting the Assembly to consult the Committee on Intellectual Co-operation. M. Loucheur therefore proposed an amendment to the text which might end as follows :

"The Assembly should therefore be requested to take note of the offer of the Italian Government and to refer this proposal to the International Committee on Intellectual Co-operation for consideration."

The speaker requested M. Gallavresi not to see in his amendment any opposition to the offer of the Italian Government. Since M. Gallavresi had himself pointed out that this offer had been made with a view to lightening the burden of the International Institute for Intellectual Co-operation, he would understand that the Committee could not, by too hasty a resolution, dispossess the Institute of a task which, in the Italian delegate's own opinion, belonged to it.

Mr. LEY (Australia) had just heard that the Secretariat was already dealing with the question of the preparation of educational films. He was of opinion that the consideration of this question should be postponed to the next meeting.

M. GALLAVRESI (Italy) was anxious to say that, being one of the most devoted friends of the Paris Institute, his proposal in no way tended to exclude or dispossess it. When, in his draft report, he spoke of competent organisations, he referred especially to the Committee and Institute for Intellectual Co-operation.

In reply to Mr. Ley, M. Gallavresi said that his Government would not perhaps have the same facilities if it were proposed to establish the Educational Cinematographic Institute at Geneva. Further, he stated that the films with which the Secretariat was dealing were solely intended to illustrate to young people the work of the League. The Italian motion had a wider scope.

M. Gallavresi concluded by proposing the appointment of a Sub-Committee to be entrusted with the study of the question and the presentation of a report at the next meeting.

M. LOUCHEUR (France) considered that a Sub-Committee was only useful when there was a text to be drawn up on the principle of which the Committee had already given its decision, and this was not the case here. He preferred, therefore, that the discussion should be adjourned, leaving the Committee free later to appoint a Drafting Committee to prepare the text of a resolution.

The question was adjourned to the next meeting.

12. Opening of a Convention relating to the Execution of Foreign Arbitral Awards.

The CHAIRMAN, on account of the urgency of taking a decision on the question of the opening of a Convention relating to the execution of foreign arbitral awards, called on the Rapporteur, M. Leitmaier, to speak.

M. LEITMAIER (Austria), Rapporteur, recalled that he was one of the Committee of Experts which drew up the draft Convention, and he proposed a procedure calculated to save time.

In 1923, a Protocol relating to arbitration clauses was opened for signature by States. It bore witness to the recognition, by the contracting States, of the submission to arbitration in the case of commercial contracts concluded between parties subject respectively to the jurisdiction of different contracting States. The existence of such submission to arbitration precluded recourse to the Courts of the contracting States and obliged the latter to provide for the execution of arbitral awards made on their territory.

But the Protocol of 1923 did not provide for the execution of arbitral awards given abroad. This omission having been brought to the notice of the Council by a report of the Economic Committee, a small Committee of Experts was instructed to examine the possibility of completing the provisions of the 1923 Protocol by a new international agreement. This Committee had drawn up a draft Convention relating to the execution of foreign arbitral awards (document A.11/1927.II).

In accordance with a decision of the Council dated June 16th, 1927, the question of the opening of the said Convention had been placed on the agenda of the eighth ordinary session of the Assembly, but in the discussion which had preceded this decision it had been understood that the Governments—to whom the Secretary-General had already communicated the report and the draft Convention—would retain complete freedom to submit amendments or supplementary provisions as they might consider suitable. The Governments concerned were requested by the Council to communicate their observations to the Secretariat in due course and a summary of the observations made by these Governments appeared in document A.II/3 (Annex 2).

The Committee now had to consider these observations and decide upon such a text as would obtain general approval, especially that of the delegates of the States to which the original text had not given full satisfaction. This work being legal in character, the Rapporteur proposed that the Committee should appoint a small Committee of Jurists to study the question and to submit a report accompanied by a new draft, on the basis of which the discussion could be undertaken in plenary Committee. This small Committee might be composed of jurists appointed by the delegations of the States whose Governments had already communicated their views and by each delegation which might desire to submit amendments to the draft Protocol. The delegations concerned should communicate to the Secretariat, as soon as possible, the names of the persons whom they desired to appoint for this purpose.

It should further be understood that at the time of the general discussion before the Committee no new amendment could be submitted.

Count VAN LYNDEN VAN SANDENBURG (Netherlands), Major ELLIOT (British Empire) and Sir FAZL-I-HUSSAIN (India) supported the Austrian delegate's proposal.

The CHAIRMAN, noting the agreement of the Committee on the appointment of the Committee of Jurists proposed by the Rapporteur, requested the Secretariat to inform the delegations interested that they should appoint a jurist for this purpose.

FOURTH MEETING

Held on Wednesday, September 14th, 1927, at 10 a.m.

Chairman : Mr. DANDURAND (Canada).

13. Creation of an International Educational Cinematographic Institute at Rome (Continuation).

The CHAIRMAN reminded the Committee of the proposal submitted by M. Gallavresi and of the amendment proposed by M. Loucheur at the previous meeting.

M. GALLAVRESI (Italy) said that he had not mentioned the Committee on Intellectual Co-operation, because there were other bodies which might have something to say on the matter, especially the Child Welfare Committee. He had wished to leave it to the Council to determine what organisations it regarded as competent.

M. DI PAULI (Austria) proposed that mention should be made of the organisations regarded as competent and particularly the Committee on Intellectual Co-operation. He would also welcome a reference to the Congress of the Educational Cinema which met at Basle in May 1927 and whose President, M. Imhof, was specially competent in the question.

M. LOUCHEUR (France) feared that the creation of numerous autonomous institutes would result in a dispersion of the work of the League. In view of the Italian Government's offer, he thought that the regular procedure should be followed and time taken to reflect upon this important question.

He did not think that the League of Nations should consult private organisations like the Congress of the Educational Cinema at Basle, but that it should request the reasoned opinion of the Committee on Intellectual Co-operation.

M. DE BROUCKÈRE (Belgium) pointed out that the initiative had been taken by five different organisations serving almost the same purpose. Although the Italian offer freed the League of Nations from all anxiety regarding expense, the interests of sound organisation required the avoidance of any dispersion of effort. He reverted to the idea of appointing a Sub-Committee to seek a satisfactory solution.

M. LOUCHEUR (France) agreed.

M. GALLAVRESI (Italy) also accepted this proposal. The offer by the Italian Government could only centralise the educational part of the vast amount of work to be done in connection with the cinema. As it was the duty of the Second Committee to prepare the ground, the question should be studied in its technical aspects.

He entirely agreed with M. Loucheur that the League ought carefully to examine the Italian Government's offer.

The CHAIRMAN proposed the appointment of the following delegates to constitute the Sub-Committee : M. GALLAVRESI (Italy), M. LOUCHEUR (France), Dame Edith LYTTTELTON (British Empire), M. DE BROUCKÈRE (Belgium), M. DI PAULI (Austria), Mr. J. LEY (Australia), Sir FAZLI-HUSSAIN (India) and Dr. GAITÁN-HURTADO (Colombia).

This proposal was adopted.

14. Relations between the League of Nations and Institutes or Bodies set up under its Authority : Draft Resolution proposed by Dame Edith Lyttelton.

Dame Edith LYTTTELTON (British Empire) wished to make a proposal.

In view of the Italian Government's offer and of previous offers, as well as of similar offers which might still be made, she thought that the time had come for the Council to examine the situation from the point of view of the League. She therefore proposed that the following draft resolution should be submitted to the Assembly :

“ That the moment has arrived when the general question of the relations between the League of Nations and institutes or bodies set up under its authority, but not forming part of its organisation, should be studied and the principles which should govern their acceptance by the League be laid down by the Council.”

M. LOUCHEUR (France) and M. DE VASCONCELLOS (Portugal) supported this motion, which appeared likely in the future to avoid improvisations which might be dangerous, and situations which it might be difficult to clear up.

The CHAIRMAN thought he was interpreting the opinion of the Committee by proposing that Dame Edith LYTTTELTON should submit her draft resolution to the Assembly.

This was agreed.

15. Work of the Health Organisation.

The CHAIRMAN welcomed M. Velghe, Vice-President of the Health Committee of the League of Nations and President of the Office international d'hygiène publique, and called upon him to address the Committee.

M. VELGHE (Vice-President of the Health Committee of the League of Nations) outlined the work of the Health Organisation, the importance of which, together with its happy consequences for the health of the world, had been emphasised by the Rapporteurs and numerous delegates.

The work accomplished was considerable, but there was still much to be done in order to obtain the best results from human activity, to diminish the moral and material consequences of disease and premature death and to put an end to scourges such as plague, cholera, tuberculosis, sleeping-sickness, infectious influenza, cancerous affections and many others which, some periodically and some continuously, took heavy toll of human life, as it were, in defiance of civilisation.

It could easily be understood that Governments and nations were intensely anxious to encourage the work of scientists and the discussions of scientific gatherings.

Most of the questions dealt with by the Health Organisation had been submitted to it by Powers adhering to the Covenant of the League of Nations, but some of these questions had first been raised at other Assemblies; for example, the question of opium and dangerous drugs, the health precautions to be taken along navigable waterways of international concern, the questions of the traffic in women and of child welfare, with their many medical and health aspects.

All these questions had at one time or another been referred to the Health Organisation, either in their entirety or as regards certain features coming more particularly within its competence.

It was only necessary to glance through one of the reports of the Health Organisation to the Assembly to appreciate the variety of subjects with which it had been called upon to deal. The Health Organisation, conscious of its function as a technical organisation of the League, had confined itself to international questions and, in the pursuit of them, had kept strictly within international limits, especially in its method of examining these matters.

Whenever a question was submitted, one of two methods might be adopted: one consisted in requesting the opinion of the health authorities of the different countries adhering to the Covenant, in collecting all these opinions in a single document, or at any rate extracting their substance, and submitting the results of this documentation to a deliberative body, and then in transmitting to all the Governments the conclusions of that body, duly ratified by the Council and the Assembly.

In this way the Health Organisation would have confined itself to transmitting and disseminating the results obtained, whether good or bad, whether concordant or conflicting. In an age of numerous and rapid means of transmission, when scientists have access to a large number of scientific publications and the health authorities can easily follow progress in medicine and hygiene, such a part appeared unworthy of the League.

There was more than that to be done, and the Health Organisation had not hesitated to adopt another method of work.

When a question came up before the Health Committee, the latter first considered whether it was one that it could examine, whether it was really desirable from the social and international points of view that it should be examined, and under what aspects. If the answer were in the affirmative, the Health Section first, and then the Health Committee, considered the best method to be followed in this enquiry.

As a rule, appeal was made in different countries to groups of specialists, who were asked to work out a plan of investigation including, as circumstances required, requests for information from specialists in all countries, statistical enquiries, investigations on the spot and laboratory research work carried out at several specially qualified institutes.

This plan of study was submitted to the Health Committee, which examined it, discussed it, and finally, with the approval of the Council, decided upon it.

Only after such careful preliminary work was the fundamental study of the problem begun, according to particular circumstances or requirements, either by the Committee of Experts already consulted in drawing up the programme, with or without the aid of the specialists attached to it, or else by another Committee composed of members of various nationalities.

If the work undertaken extended over a long period, regular reports on the position were made at least annually to the Health Committee, which was thus able to follow it step by step. The Committee also made a practice of mentioning the work in its annual report to the Assembly. All the Governments were thus in a position to know what point had been reached in the investigations, and whether an early solution was likely.

On the completion of the work, the results were discussed by the Committee of Experts, and the conclusions submitted to the Health Committee, and occasionally to the Advisory Committee of the Health Organisation—the Committee of the Office international d'hygiène publique. After the conclusions had been examined, mainly from the point of view of their probable practical consequences, they were submitted to the Council, and subsequently communicated to the Governments.

This method was active, flexible, and also dependable, since it was accompanied by all possible safeguards.

Possibly it might be suspected of being somewhat costly, but if one considered the expense involved by the first method suggested, in which the work was carried on in a scattered fashion and was liable to duplication, it was evident that the second method, the one followed by the Health Organisation, was more economical in the long run.

The results obtained by the Health Organisation had largely fulfilled expectations. Its work was continually expanding and was now not only international but universal. Though not all the work of the Organisation possessed the same interest for every country, it was clear that no country could afford to disregard epidemics elsewhere.

The Health Organisation was continually coming into closer contact with more countries in all parts of the world, not only by means of its publications, such as those of the Epidemiological Service, or by exchange of correspondence, but also by special missions and by interchanges of health officers.

At the request of the Governments concerned, the Malaria Commission had visited Syria and certain European countries; it had now been asked to send delegates to Latin America.

A Commission had studied the organisation of health services in the Near East. An official of the Health Section had made a similar study in the Far East, and had also been present at the Pan-American Health Congress at Havana in November 1924.

A Conference was dealing with tropical diseases in Central Africa.

At the request of the Governments concerned, a delegate from the Health Section had visited Persia and also Albania, in order to make a careful study of health conditions in those countries.

Last year the Medical Director of the Health Section had visited various countries in the Far East. This year, accompanied by the President of the Health Committee, he had visited Brazil, the Argentine and Uruguay.

These health missionaries had been warmly received everywhere and had left behind them tangible evidence of their passage : witness the Bureau at Singapore, the work of which was going to prove valuable in improving health conditions, not only in the Far East, but in Western countries also.

The CHAIRMAN thanked M. Velghe for his interesting statement.

Sir Ramaswami AYYAR (India), Rapporteur, read his draft report (Annex 3).

On behalf of his Government, he invited the Malaria Commission to continue its investigations in India, where it would receive every assistance.

16. Results of the Mission carried out by the President of the Health Committee in certain Latin-American Countries.

M. MACKENNA (Chile) read his report (Annex 4).

M. DE VASCONCELLOS (Portugal) hoped that, as a general practice, reports to be discussed in the meeting would be distributed previously to the members of the Committee.

M. VEVERKA (Czechoslovakia) paid a high tribute to the work of the Health Organisation. The Czechoslovak Republic had formed a special Ministry for public health questions, one section of which followed attentively the work of the Health Organisation and was studying the question of the practical application of that work in his own country.

In this connection, M. Veverka spoke of the work accomplished in Czechoslovakia by social insurance associations and by private health organisations with the object of securing as economically as possible the most satisfactory results for the welfare of the population.

On behalf of his Government, he had submitted a proposal to the fifth ordinary session of the Assembly, to the effect that a comparative study of health administrations in the different countries should be undertaken, in order to link up the various social insurance and public health organisations. He noted with pleasure that the Health Committee had taken steps in this matter by appointing a Joint Committee, consisting of six members representing the social insurance associations and six representing the public health organisations, with a secretarial staff recruited from among the members of the Health Section of the Secretariat and of the Social Insurance services of the International Labour Office. This Committee was entrusted with the task of studying problems in connection with social insurance and public health organisation, such as :

- (1) Instruction of the insured in the principles of hygiene;
- (2) Protection of motherhood and of infancy from birth up to school age;
- (3) Preventive measures against tuberculosis;
- (4) Preventive measures against venereal disease;
- (5) Protection of children of school age.

This valuable example was immediately followed in Czechoslovakia, where a similar Committee had been set up, which had already obtained encouraging results.

M. NAGAI (Japan) thanked the Rapporteurs for their interesting statements, which demonstrated the universality of the work of the Health Organisation.

The Japanese delegation attached great importance to the work of the Singapore Epidemiological Intelligence Bureau, which received information from 130 ports. The dissemination of the reports by wireless to ships plying in Eastern waters had been of inestimable value. As a result of the International Sanitary Convention revised in Paris in 1926, recognising the Singapore Bureau as the official organ for disseminating epidemiological reports and for linking up the countries of the East with the rest of the world, there was not a country in the world which did not benefit by this information. Closer co-operation had thus been effected between the Health Organisation of the League of Nations and the Office international d'hygiène publique in Paris.

Japan paid a high tribute to the advantages resulting from the exchange of scientists and

from the publication of scientific monographs. His country would continue to welcome foreign experts and specialists, particularly those sent by the League of Nations, who came to Japan to devote themselves to the close study of health questions.

He emphasised the advisability of an interchange of experts between Japan and South American countries in view of the growing importance of the international problems in the Pacific regions.

FIFTH MEETING

Held on Thursday, September 15th, 1927, at 2.45 p.m.

Chairman : Mr. DANDURAND (Canada).

17. Results of the Mission carried out by the President of the Health Committee in certain Latin-American Countries (Continuation).

Baron DE VEST (Hungary) said he desired in the first place to pay a tribute, in the name of his Government, to the Health Organisation, to whose activity his country attached the highest importance.

An organisation known as the "Stephania" Association had been created in Hungary to combat infant mortality to protect mothers and to promote infant welfare. This Association, which had done remarkable work, intended to take advantage of the enquiries into the causes of infant mortality undertaken by the Health Organisation, with which it was in constant touch.

An excellent idea on the part of the Health Organisation was the interchange of public health personnel, which, it was to be hoped, would shortly be extended to Hungary.

He stated that, at the end of September, the new Public Health College would be inaugurated at Budapest and that the ceremony would be attended by delegates from the Health Organisation and representatives of the Health Colleges, including those of Zagreb, Warsaw and Prague. On that occasion, the delegates would have an opportunity of examining the best methods of training public health officials in a spirit of international co-operation.

Major ELLIOT (British Empire) said he desired to examine a few aspects of the work of the Health Organisation which had not been fully brought out, such as the investigations into cancer and malaria.

The investigations into cancer were still in their infancy. But there was no field in which the comparative method would give more fruitful results.

As regards malaria, he thought that the work had had important economic and social results. He had before him the second general report of the Malaria Commission, which was a singularly valuable document for countries suffering from this scourge. It contained a malaria map for England, where, on account of the particularly wet climate, the measures taken had not proved entirely successful in getting rid of the disease.

He referred to an enquiry conducted by the League of Nations into malaria, in the course of which three officials had lost their lives. That fact showed that such enquiries were sometimes highly dangerous, and he desired to render homage to these victims of duty.

Another example of the activities of the Health Organisation was the standardisation of drugs, *e.g.*, insulin, which was used in the treatment of diabetes.

With reference to League public health missions to distant countries, he referred to the successful results of Dr. Rajchman's visit to Japan, which had led to the visit of the Japanese professor, M. Saiki, to Europe.

In conclusion, he considered that the League's mission was certainly as important in the field of public health as in any other field of its international activity, and he promised the full support of his Government to the work of the Health Organisation.

Hussein Khan ALÁ (Persia) stated, in connection with the interchanges of public health personnel, that his Government, acting on a suggestion of Dr. Gilmour, who had been sent by the League, had just despatched three Persian doctors on a study tour to the Malaria Institute at Rome.

The public health budget in Persia had recently been tripled, and this showed the increasing interest which his Government was taking in health questions.

Mrs. Moss (Australia) outlined the work done in her country to improve the birth rate and promote infant welfare.

Public health conferences were held every year in Australia. The problem of health insurance had been entrusted to a Royal Commission, which had submitted very important recommendations to the Federal Government and the Governments of the States. The question of epidemics had also led to elaborate quarantine measures.

She invited the attention of the Committee to the International Pacific Conference which had been convened by her Government at Melbourne in December 1926, and at which the League Health Organisation was represented by Dr. Norman White. The Conference considered the health conditions prevailing among the indigenous population of the Southern Pacific Islands and the steps that might be taken to improve their conditions of life and to secure international co-operation and co-ordination of effort towards this end.

Summarising the resolutions of the Conference, Mrs. Moss stated that they related mainly to a more complete and prompt distribution of information concerning the prevalence of diseases of principal local importance. With this object in view, an intelligence centre in Australia might supplement the work of the Singapore Bureau. An agreement had also been reached for the purpose of securing co-operation in regard to quarantine. The resolutions concerning research invited the Health Organisation of the League and its Advisory Committee to give all practical assistance to the epidemiological and preventive work carried on in the Austral-Pacific zone. She hoped that these recommendations would be taken into consideration by the Health Organisation, which could thus take a further step forward towards the universality of its action.

M. GAITÁN-HURTADO (Colombia) said that the Latin-American countries were most anxious to see the technical organisations of the League take up the various problems affecting the future of their race and the best conditions of development of their peoples. This would result in the strengthening of the bonds linking Latin America with Geneva. In that connection, the despatch of special missions to study health problems on the spot appeared to be highly desirable.

Dr. BREITSCHIED (Germany) stated that the Committee had a series of important and complex questions to consider. There was a risk that the value of the Committee's work would be diminished owing to the over-abundant material with which it had to deal. He suggested that the Second Committee's task should be lightened, and reduced each year to the consideration of a small number of important questions.

The German delegate was glad to note that his country was now represented on the Health Committee by two members, but, even before Germany became a Member of the League of Nations, it had already participated in the work of the Health Organisation—more especially in connection with the Malaria Commission and the Experts' Commission on Sleeping-Sickness.

Germany was making very great efforts in health matters. An interchange of public health officers had been instituted, courses had been started, and visits to health institutions organised. Questions relating to health insurance had also received attention. Those questions had also an economic aspect, in regard to which Dr. Stresemann had stated, at the ninth plenary meeting of the Assembly, that a certain common level of social expenditure was indispensable in order to ensure the free play of international competition.

Dr. Breitscheid was keenly interested in the observations of the Japanese delegate, and took the opportunity to express his sympathy, and that of the Committee, with the Japanese nation, which had just suffered a further disaster.

The German Government was following with great interest the investigations into infant mortality and trusted that the efforts made in this direction would meet with the success they deserved.

In conclusion, the German delegate congratulated the Health Organisation on all its work.

M. DE VASCONCELLOS (Portugal) was glad to see that the Health Organisation was becoming increasingly international and that its co-operation with the Office international d'hygiène publique was going to be strengthened in the manner indicated in the remarkable speech of M. Velghe.

He would emphasise the assistance recently given to the work of the Bureau at Singapore by the Portuguese colony of Macao, and was glad to see the reference in the report to the Portuguese mission on sleeping-sickness. Portugal had been one of the pioneers in investigating that disease, which had ravaged certain of her colonies.

M. MACKENNA (Chile), Rapporteur on the mission of the President of the Health Committee in South America, read the following draft resolution :

“The Second Committee,

“(1) Having taken note of the report of the President of the Health Committee on the possibilities of technical co-operation with public health and medical authorities in Latin-American countries and also of the report on the work of the Conference of Health Experts on Infant Welfare held at Montevideo;

“(2) Notes with satisfaction that the activities of the Health Organisation of the League of Nations have extended to several countries of Latin America and that fruitful co-operation may be outlined as the result of the Health Committee's mission;

“(3) Welcomes the practical suggestions for continued co-operation which have been made by the health authorities and experts of Argentine, Brazil and Uruguay;

“(4) Considers that the realisation of these suggestions would result in creating links between the League's health work and the activities of national health administrations in these countries, and would represent a good method of developing the work of the League's technical organisations in Latin America;

“(5) Requests the Council, after having obtained the Health Committee's advice on these different suggestions for co-operation with Latin-American countries, to consider how they may be put into practice;

“(6) And requests the Fourth Committee to consider very seriously the importance of the development of the League's technical work in Latin America and to take the necessary steps to ensure its accomplishment.”

M. NAGAI (Japan) expressed his warm thanks to Dr. Breitscheid and the Committee for their words of sympathy. In some respects Japan was placed in an unfavourable situation owing to dangers by which it was constantly threatened, but he knew that his country could always rely on the generous aid of Western countries, to whom M. Nagai expressed his deep gratitude.

M. PARRA-PÉREZ (Venezuela) agreed with the previous speakers that it would be of the greatest utility to the whole of Latin America if further missions similar to those which had just been sent to that continent were despatched.

In the interests of clarity, he suggested a change in the text of the draft resolution and proposed to add to paragraph 6 the words "in health matters".

M. ANDERSEN (Denmark), whilst approving the substance of the draft resolution, asked for some explanations regarding the form of the various recommendations made, some of which seemed to be addressed to the Assembly and others to the Fourth Committee.

Dr. RAJCHMAN (Director of the Health Section) explained to the Danish delegate that, after the proposed resolution had been adopted by the Assembly, the words "the Second Committee" would, of course, be replaced by the words "the Assembly".

As regards paragraph 6, the Chairman of the Second Committee would transmit this to the Chairman of the Fourth Committee for a decision by that Committee, and the latter would present a separate draft resolution. Only the first five paragraphs, therefore, of the draft resolution under discussion would be referred direct by the Second Committee to the Assembly.

M. PLAISANT (France) proposed that the text of paragraph 2 should be amended as follows :

" . . . and that fruitful co-operation may be anticipated as the result of the Health Committee's mission".

The draft resolution was adopted with the proposed amendments.

On the proposal of the CHAIRMAN, the Committee appointed M. MACKENNA (Chile) as *Rapporteur to the Assembly*.

18. Work of the Health Organisation : Adoption of a draft Resolution to the Assembly.

Sir Ramaswami AYYAR (India), Rapporteur on the work of the Health Committee, read his draft resolution and the text of the two amendments proposed by the delegates of the British Empire and Australia, which the Rapporteur declared to be accepted :

"The Second Committee,

"Having taken note of the reports (documents A.9.1927.III and A.13. and A.13(a), Extract No.1) dealing with the work of the Health Organisation of the League during the past year, expresses its gratification at the continued development of its worldwide activities;

"Notes with satisfaction the growth and increasing usefulness of the work of the Epidemiological Intelligence Bureau at Singapore, due in large measure to the sympathetic co-operation of all Eastern administrations, in whose interest it was primarily created;

"Notes with satisfaction the terms of the agreement concluded between the Health Organisation of the League and the Permanent Committee of the Office international d'hygiène publique whereby the services of the Singapore Bureau will be made available in the discharge, on behalf of the Office, of certain of the obligations imposed by the International Sanitary Convention of Paris, 1926;

"Expresses its appreciation of the work accomplished by the Malaria Commission, the Sleeping-Sickness Commission and the International Rabies Conference, and of the progress made in the investigations now being carried out with regard to Infant Mortality and Health Insurance;

"Places on record its unqualified approval and appreciation of the services rendered to international public health by the Health Committee and its Expert Commissions."

PROPOSED AMENDMENT BY THE DELEGATE OF THE BRITISH EMPIRE.

Add to fourth paragraph :

"of Paris, 1926", and thereafter :

"and also the further agreement recently concluded with the object of increasing the mutual co-operation in other directions between the Health Organisation and the Office international d'hygiène publique;

"Expresses its appreciation of", etc.

PROPOSED AMENDMENT BY THE DELEGATE OF AUSTRALIA.

Add after penultimate paragraph :

"Further, the Committee, noting the recommendations which have been made by the International Pacific Health Conference held at Melbourne in December 1926, in relation to work which might be undertaken by the Health Organisation for the study of health problems in the Pacific area, expresses its hope that the possibilities of action in this sense should receive full and early consideration by the Health Committee."

Major ELLIOT (British Empire) said that he had presented his amendment owing to statements made by the Portuguese and Japanese delegates.

M. DE VASCONCELLOS (Portugal) approved the draft resolution and proposed amendments, but suggested a slight alteration in the text of the first paragraph of the resolution, in which he would like to see the word "worldwide" replaced by the word "international".

Major ELLIOT (British Empire) supported this amendment.

M. PLAISANT (France) proposed the following alterations in the wording :

First paragraph : That the word "activities" should be replaced by the word "action".

Second paragraph : That the word "sympathetic" should be replaced by "close".

That the last paragraph of the French text should be modified as follows :

"Donne son approbation sans réserve aux travaux du Comité d'hygiène et de ses Commissions d'experts et lui exprime son admiration pour les services rendus à la cause de l'hygiène publique internationale."

The draft resolution was adopted with the proposed amendments.

On the proposal of the CHAIRMAN, the Committee appointed Sir Ramaswami AYYAR (India) as *Rapporteur to the Assembly*.

The CHAIRMAN added his congratulations to those offered by the speakers from all continents to the Health Organisation of the League of Nations and its Medical Director. Their value was increased by the fact that they had been expressed by eminent specialists, such as Major Walter Elliot, the Parliamentary Under-Secretary of State for Scotland.

19. Creation of an International Educational Cinematographic Institute at Rome (Continuation).

M. GALLAVRESI (Italy), *Rapporteur*, stated that the Sub-Committee appointed to investigate this question had agreed upon a draft report, which he read (Annex 5).

M. LOUCHEUR (France) proposed to eliminate the word "éventuelle" after the word "consultation", which did not appear to mean what the *Rapporteur* had in mind, for it was, of course, understood that the Council should consult the competent organisations.

M. GALLAVRESI (Italy) did not insist upon the word "éventuelle" being retained provided it was quite understood that the Council should have full liberty as regards the choice of the organisations to be consulted.

Dr. BREITSCHIED (Germany) asked whether the competent organisations included the International Labour Office, which was known to be dealing with the matter.

M. GALLAVRESI (Italy) replied that it was obvious that the International Labour Office could be consulted, since the Council had full liberty to select such organisations as it deemed to be competent.

M. DI PAULI (Austria) was glad that an agreement had been reached in the Sub-Committee and urged that, in investigating this problem, account should be taken of the very important work accomplished at Basle by the Congress on the Educational Cinema and by the Executive Committee of that Congress.

M. Di Pauli expressed the hope that the Committee on Intellectual Co-operation, which had been asked to report to the Council, would co-operate closely with the institution at Basle.

He then read the draft resolution presented by Count Cippico to the Assembly on September 6th, which ran as follows : "It will thus be possible for all nations to participate under conditions of perfect equality and without laying any pecuniary burdens on them or on the budget of the League of Nations", a passage which he interpreted to mean that any State Member of the League might, if it so desired, be represented on this Institute and have the right to take part in its work by the payment of an annual contribution.

M. Di Pauli asked that note should be taken of his statement.

M. GALLAVRESI (Italy) thanked the Austrian delegate for the interest he had shown in the Italian Government's proposal and also for his observations, which could be discussed when the time came for considering the methods of giving effect to the Italian proposal.

The draft report was adopted with the proposed amendment.

On the proposal of the CHAIRMAN, the Committee appointed M. GALLAVRESI (Italy) as *Rapporteur to the Assembly*.

The CHAIRMAN stated that the discussion on the work of intellectual co-operation was thus closed. He believed that he was interpreting the feelings of the whole Committee in expressing his congratulations and his thanks to the International Committee on Intellectual Co-operation and its Secretariat, to the Intellectual Co-operation Section of the League of Nations and to the International Institute for Intellectual Co-operation.

20. Settlements of Bulgarian Refugees.

Major ELLIOT (British Empire) read his draft report and resolution (Annex 6).

M. MOLLOFF (Bulgaria) thanked the *Rapporteur* for the appreciative terms in which he had referred to the work of settlement, and also M. Charron, Commissioner of the League for Bulgarian Refugees, for his co-operation. He recalled the financial difficulties which had been overcome with the help of the League of Nations, mentioned the internal difficulties which were not yet solved, and stated, in this connection, that the campaign against malaria had been vigorously pursued under the direction of a specialist sent by the League.

The building of houses was proceeding rapidly and a new contract had just been placed for the construction of 800 houses for refugees.

No Bulgarian—and more especially no refugee—would ever forget the work of the League of Nations on their behalf.

M. PLAISANT (France) proposed the following alterations in the French text of the draft resolution :

To substitute the following for the first paragraph :

“L'Assemblée

“1^o Salue le succès remporté par l'emprunt des réfugiés bulgares, qui doit fournir les fonds nécessaires à l'exécution du plan approuvé par le Conseil.”

To modify the second paragraph as follows :

“2^o Prend acte des progrès déjà réalisés en ce qui concerne les terres et les maisons qui doivent être mises à la disposition des réfugiés.”

To replace the fourth paragraph by the following :

“4^o Tient à rendre hommage au courage et à la décision montrés par le Gouvernement bulgare et le Commissaire de la Société des Nations, dans la mise en œuvre du plan d'établissement.”

The draft report and resolution were adopted with the proposed amendments.

On the proposal of the CHAIRMAN, Major ELLIOT (British Empire) *was appointed Rapporteur to the Assembly.*

SIXTH MEETING

Held on Friday, September 16th, 1927, at 10 a.m.

Chairman : Mr. DANDURAND (Canada).

21. Work of the Organisation for Communications and Transit.

M. DE BROUCKÈRE (Belgium), Rapporteur, read his draft report on the work of the Organisation for Communications and Transit between the seventh and eighth ordinary sessions of the Assembly and on the results of the Third General Conference on Communications and Transit (Annex 7).

Sir Ramaswami AYYAR (India), speaking as a delegate to the Third General Conference on Communications and Transit, associated himself in particular with that passage in the report which stated that the Conference marked a great advance towards the mutual understanding of national and international problems. It was significant that States not Members of the League, such as the United States of America, Egypt, Ecuador, and Turkey, and large organisations such as the International Chamber of Commerce were represented at the Third General Conference on Communications and Transit.

He declared himself in favour of the draft resolution proposed, particularly as regards the collection of information concerning communications and transit. That would not mean any extra burden upon the Governments, since the statistics to be collected were those already in existence and it would only be necessary to prepare a summary of them, containing no confidential data, and it was clearly understood that no extra work was involved.

M. GLIWIC (Poland) said that the question of transit and communications figured prominently in the economic policy of Poland, which was a country of transit between the industrial countries of Western Europe and the Eastern States. That policy was inspired by a large liberalism in matters of transit, with a view to establishing solidarity between civilised countries in accordance with Article 23 of the Covenant. Conventions relating to through tariffs had been concluded with many States; the Polish-German Convention abolished the obligatory passport and Customs formalities for travellers by certain trains in transit. Twenty-one Conventions regulated the railway communications between Poland and Germany, Roumania, Italy, Czechoslovakia, the Soviet Union, Switzerland, Austria, Hungary and the Scandinavian countries. Between 1923 and 1927, general transit traffic through Poland had increased by about 100 per cent.

As regards inter-continental river navigation, the Polish Government intended to open negotiations to conclude conventions with the neighbouring States. Poland therefore warmly welcomed the initiative with regard to the unification of inter-continental navigation statistics and private law.

Furthermore, the Polish Government was studying a system of combined air and railway tariffs.

International co-operation was as indispensable in connection with transport as in any other economic sphere, and the participation of the United States delegation in the work of the Third General Conference was therefore of great importance.

It would be desirable to draw attention, in the resolution, to the fact that the Second Committee, in endorsing the resolutions of the Transit Conference, particularly appreciated the

importance of the information work. In this connection, the following sentence might be added after the fourth paragraph of the resolution :

“The Second Committee attaches particular importance to the collection and dissemination of information relating to communications and transit.”

Mr. ROY (Canada) expressed Canada's satisfaction at the participation of the United States in the work of the Conference on Communications and Transit. It was to be hoped that this participation would become permanent.

The question of passports for persons without nationality was of great humanitarian importance, and the Committee could congratulate itself that this question had been taken up.

Hussein Khan ALÂ (Persia) paid a tribute to the important work done by the Organisation for Communications and Transit. His country, which desired to co-operate in the work of the League, would be glad to furnish that Organisation with all information desired.

The question of extending and improving means of communication occupied a foremost place in Persian policy, and the Persian delegate drew attention to what his country, which was anxious to occupy an honourable place in the family of nations, had already done in the sphere of land, river, air and wireless communications.

M. NAGAI (Japan) supported the draft resolution, especially that part which dealt with the collection and dissemination of information.

M. BASTID (France) was glad to note the unanimity attained in transport questions, and he was gratified by the success of the recent Conference, in which all nations, Members or non-Members of the League of Nations, had shown keen interest. In this connection, he reminded the Committee of the remarkable speech delivered at that Conference by Mr. Norman Titus, United States delegate.

M. NECULCEA (Roumania) agreed with the conclusions of the Third Conference on Communications and Transit, the work of which was vitally important to international relations.

Major ELLIOT (British Empire) expressed his satisfaction with the work done by the Conference.

M. SUVICH (Italy) congratulated the Rapporteur upon his work, which constituted a remarkable summary of the discussions of the Conference and of the Advisory Committee. He drew attention to the recommendation of that Committee in favour of obtaining all the information necessary for its work. The solution proposed, namely, application to Governments, was the best, and the Italian Government supported it. M. Suvich hoped that the Second Committee would do likewise.

M. DI PAULI (Austria) expressed his keen satisfaction with the results of the Third Conference on Communications and Transit and congratulated M. de Brouckère upon his excellent report.

M. DE BROUCKÈRE (Belgium), Rapporteur, thanked his colleagues for their congratulations, a large part of which was really due to the Communications and Transit Section.

He was happy to note that the only amendment proposed tended to reinforce the conclusions in his report. He desired, however, to point out to M. Gliwic that, in the course of the Conference, the words “the collection and dissemination of information” had given rise to a lengthy discussion, as the result of which the experts had decided to substitute for them the words “the collection and utilisation of information”. In those circumstances, M. de Brouckère accepted the Polish delegate's amendment, provided that the word “dissemination” was replaced by “utilisation”. The amendment would therefore consist in beginning the last paragraph but one of the draft resolution by the following sentence : “attaching particular importance to the collection and utilisation of information on communications”.

M. GLIWIC (Poland) accepted this alteration to his amendment.

The report and the draft resolution were adopted with the proposed amendment.

M. DE AGÜERO Y BETHANCOURT (President of the Third General Conference on Communications and Transit) thanked the Committee for the congratulations offered to the Conference. He desired to include in these congratulations his collaborators on the Secretariat and his colleagues at the Conference. More particularly he thanked M. de Brouckère for his very clear and comprehensive report.

On the proposal of the CHAIRMAN, M. DE BROUCKÈRE (Belgium) *was appointed Rapporteur for the question to the Assembly.*

22. Work of the Economic Committee.

M. GLIWIC (Poland), Rapporteur, read his draft report and resolution (Annex 8).

M. PARRA-PÉREZ (Venezuela), speaking on behalf of M. Zumeta, who was indisposed, congratulated M. Gliwic, Rapporteur, the Economic Committee, and Sir Arthur Salter, on behalf of the delegation of Venezuela. He then read a statement by M. Zumeta on the question of the protection of the foreign purchaser against worthless goods.

This question had become a considerable one. In 1922, an endeavour had been made to protect the consumer against certain fraudulent proceedings, and M. Serruys, the French expert, had pointed out to the Economic Committee the necessity of extending to exported goods the

protection which was assured by national laws to the consumers of the country's own products. The convergence of national and international interests was a known fact, and a reduction of the facilities for fraud would protect the industry, commerce and international market of each producing country. This question, therefore, was an important example of the interdependence of national and international interests, whether general or private.

The publication (document A.II/1), of which a copy had been sent by the Economic and Financial Section to the delegations, and from which the above information had been obtained, aimed at surveying the efforts made almost everywhere for the establishment of guarantees of the quality of products marketed. It would certainly have the effect of awakening the public to the necessity of giving information, through the Secretariat, regarding the measures necessary to guarantee the quality of products in the different countries.

In conclusion, the speaker asked the Second Committee to adopt the following draft resolution, which could be added at the end of the report :

"The Assembly notes with satisfaction the progress made in the enquiries by the Economic Section into the direct and indirect steps taken in the different countries for protecting the foreign purchaser in regard to the quality of the goods which he purchases in those countries.

"It recommends that these researches should be continued on the basis of the method used in the draft pamphlet communicated to the Second Committee, and that the Governments should give their support to the Secretariat so that a further publication, which should be as complete as possible, may be brought out at an early date."

Count VAN LYNDEN VAN SANDENBURG (Netherlands) drew the attention of the Committee to a task which the Economic Committee would have to perform later in connection with the exploitation of the products of the sea and the protection of marine fauna, certain species of great economic value being threatened with extinction.

He referred to the report submitted to the Council by M. Zaleski on June 13th, 1927, requesting the Economic Committee to get into touch more particularly with the permanent International Council for the Exploration of the Sea, at Copenhagen. He hoped that the Committee would also get into touch with national organisations working in this field in so far as they were not yet included in an international organisation, and he emphasised the urgency of measures to be taken to protect marine fauna.

Mr. J. LEY (Australia) said that, as regards the abolition of import and export restrictions and prohibitions, it was impossible to apply any general rule to the whole world; it would be for the Conference on October 17th, 1927, to discriminate between States, taking into account the special situation of each. In Australia, Customs tariffs had only been created for purely defensive purposes and his country was delighted, whenever circumstances allowed it, to compete loyally and on an equal footing with other countries.

Sir FAZI-I-HUSSAIN (India) welcomed the approaching meeting of the International Diplomatic Conference for the Abolition of Export and Import Restrictions and Prohibitions. That Conference would facilitate a mutual understanding; each country would be able to explain its own situation and become better acquainted with that of others. India was quite prepared to agree to certain measures on this subject, provided that other countries, whether or not Members of the League, also accepted them.

As regards the treatment of foreign undertakings and nationals, paragraph 2 of the draft resolution should be supplemented by the addition of the following phrase: ". . . and foreign undertakings and nationals admitted to carry on economic activities".

India had ratified the International Convention relating to the Simplification of Customs Formalities, and the Indian Government was now prepared to reconsider the question of acceding to the Protocol of 1923 and would decide this matter together with that relating to the Supplementary Draft Convention on Foreign Arbitral Awards, which was now under the consideration of an expert Sub-Committee of the Second Committee.

As regards the question of statistics and the proposed economic barometers, he hoped that their employment would be extended to all countries.

M. GLIWIC (Poland), Rapporteur, accepted the amendment to his draft resolution submitted by the delegate of India, with the addition proposed by the delegate of Venezuela.

Hussein Khan ALÂ (Persia) said that, as regarded the first paragraph of the draft resolution, he agreed with the representative of Australia, since Persia was in a similar position to that country. During the discussion of the report on the work of the International Economic Conference, he would give a detailed survey of the position in his country.

The draft report and resolution were adopted with the amendments proposed.

On the proposal of the CHAIRMAN, M. GLIWIC (Poland) was appointed Rapporteur for the question to the Assembly.

SEVENTH MEETING

Held on Friday, September 16th, 1927, at 3 p.m.

Chairman : Mr. DANDURAND (Canada).

23. The Question of Alcoholism.

The CHAIRMAN submitted a letter (document A.19.1927) on this subject bearing the signatures of the Finnish, Polish and Swedish Ministers for Foreign Affairs. The Belgian, Danish and Czechoslovak Ministers for Foreign Affairs had also given their approval to the document. M. Lupu, the Roumanian delegate, had been asked to prepare a report on the problem of alcoholism raised in that letter. The first question which had to be decided, however, was whether the League of Nations should deal with alcoholism. The Chairman asked the representatives of the signatory countries to be good enough to explain their proposal for the institution of an Advisory Committee on Alcoholism. This Committee was to be authorised to ask the International Bureau against Alcoholism (which would be placed under the auspices of the League of Nations) and also the International Labour Office to undertake any necessary investigations.

M. LOUCHEUR (France) reminded the Committee that, according to current procedure, a preliminary debate was necessary before the discussion of a report on an entirely new question.

M. VOIONMAA (Finland), a signatory of the letter, emphasised the simplicity of the principle involved. The main point was that the question of alcoholism, the international importance of which was considerable, should be seriously discussed by the League. The latter had, in fact, certain obligations arising out of the Covenant itself. The Finnish delegate strongly recommended the creation of an Advisory Committee on Alcoholism, with sufficient authority to bring its proposals before the Council and Assembly.

A committee of experts might be requested to propose practical measures and to select subjects for international investigation connected with the question of alcoholism.

M. DI PAULI (Austria) supported the French delegate's proposal. The discussion should relate exclusively to the letter addressed to the Committee. It could then be seen whether a report was advisable.

M. SANDLER (Sweden) stated that his country was deeply interested in the problem of alcoholism, and shared the views of Finland and Poland that the League of Nations should deal with this important international question.

He considered that a report should first of all be drawn up on the subject, and a debate be held on that report.

M. ANDERSEN (Denmark) agreed with M. Loucheur that this question was different from any others contained in the Second Committee's agenda. It had not been dealt with by the League hitherto, and a debate would thus be necessary to enable the Rapporteur to ascertain the views held by his colleagues.

M. LOUCHEUR (France) considered that the essential point was whether the question of alcoholism should be submitted to the League or not. Under which article of the Covenant could it be discussed by the League?

M. VOIONMAA (Finland) believed that the work of the various Commissions that had dealt with alcoholism—the Mandates Commission and the Traffic in Women and Children Committee—had been based on the Covenant. The discussion of this problem by the League was justified for another reason also, namely, its clearly international character.

M. LOUCHEUR (France) thanked the Austrian and Danish delegates for their support. He thought that the Finnish delegate had based his argument on Article 23 of the Covenant (paragraph (c)), which contains the following words: "will entrust the League with the general supervision over the execution of agreements with regard to the traffic in women and children, and the traffic in opium and other dangerous drugs".

If the signatories of the letter based their arguments on the words "dangerous drugs", the French delegation must formally protest. The inclusion of alcohol in the dangerous drugs contemplated by the Covenant was inadmissible. This would mean interference in the domestic policy of a number of countries. The Committee must avoid any unwise discussion which would furnish arguments or weapons to the wet and dry parties in certain countries. The greatest caution was necessary. It was not the duty of the members of the Committee to deal with domestic policy.

Viscount Cecil had referred last year to the danger of introducing questions which were not legally within either the Statutes or the Covenant. It was essential not to risk causing internal political disturbances in any country by extending the League's activities indefinitely. Certain congresses had even gone so far as to warn people against the use of grape juice. As a defender of France and its wine, M. Loucheur opposed the abolition of good wine, which brought joy into the lives of the people and from which the French derived many of their sturdy qualities.

It was proposed to take steps against smuggling. Had not France recently signed a treaty with America, which he had himself defended before the Chamber of Deputies, and the object of which was to prevent smuggling?

If an International Conference were proposed, the French delegation would not oppose it very strenuously. There could be no question, however, of associating the League with the activities of the International Bureau against Alcoholism. There were moments in life when a small glass of alcohol did much to restore a man's strength and courage. Alcohol was not a dangerous drug unless it were taken in excess. The Committee must avoid making itself ridiculous or odious and must avoid restricting peoples' liberty. He had every respect for water-drinkers, although he did not envy them, but he asked for the same tolerance for the nations which drank wine. Whilst he was decidedly in favour of a campaign against alcoholism, he would defend the cause of good wine, which was a matter of domestic politics and outside the competence of the League of Nations.

M. ALFIERI (Italy) associated himself with M. Loucheur's brilliant and convincing arguments.

M. VOIONMAA (Finland) pointed out that an international organisation existed for the smuggling of alcohol and the matter must be dealt with by international means. The Baltic States alone could not put a stop to the smuggling of alcohol. Article 23 of the Covenant, paragraph (f), referred to the steps to be taken in matters of international concern for the prevention and control of disease. There were undoubtedly diseases caused by alcohol against which action should be taken.

It was right that the Committee should not interfere in the domestic policy of States, but it was for the League of Nations to draw the line between international and internal law.

Mr. ROY (Canada) said that the Canadian delegation was in a particularly favourable position to speak on the question for, after the war, the advocates of temperance had asked the Canadian Government to prohibit the sale of alcohol. The Federal Government had left the Provincial Governors free to act in this matter, and all the provinces of Canada except Quebec, whose inhabitants were of French origin, had enacted prohibition legislation. After five or six years' trial, however, all the provinces, except Prince Edward Island, the population of which was 100,000 inhabitants, had reverted to the old regime.

In view of the proximity of the United States, which had adopted prohibition, there was a large amount of smuggling between Canada and her neighbour, owing to their long common frontier. It was the same thing, however, with numerous luxury articles, and the peaceful relations between the two countries were not thereby endangered.

Mr. ROY would be very glad if methyl alcohol were prohibited, but in the case of wine alcohol he was strongly opposed to prohibition, as wine was nutritious and not a poison, and had been so declared by certain members of the Paris Academy of Medicine. Moreover, this was a domestic question, and it was for each country to regulate the use, not of alcohol, but of bad alcohol.

M. DE VASCONCELLOS (Portugal) associated himself with the point of view expressed by the French, Italian and Canadian delegates. There must be no risk of involving the League in dangerous matters. Article 23 (c) of the Covenant might, for instance, cause the League to prohibit tobacco and thus raise a general revolt. Was not water itself, as used by the Inquisition, one of the most harmful drugs? Distinction should be made between anti-alcoholism and antagonism to wine. The Committee should avoid the extravagances of well-meaning societies which tampered with the domestic policy of States. The Health Committee was fully competent to deal with the question of bad alcohol, which was harmful to health. If further action were contemplated, he would oppose it.

Don Pedro COSIO (Uruguay) had been alarmed when he heard that the question of alcoholism was going to be discussed, and thanked M. Loucheur for having allayed certain fears.

He had introduced in his country certain measures to restrict the use of alcohol and had endeavoured to increase the consumption of fermented liquors, which were less dangerous than distilled spirits. He had to state clearly, however, that he did not wish to go further. The closing of public-houses at 9 p.m. and the prohibition of alcoholic drinks on Sundays and holidays were sufficient.

M. SANDLER (Sweden) thought that there were very strong reasons for the consideration of the question of alcoholism. The League had already had occasion to deal with it. There was no question of interference with national legislation, but of suppressing smuggling, which was an international problem.

Mlle. ROSENBERG (Hungary) remarked that the representatives of France, Italy and Portugal, the best wine-producing countries in the world, had opposed the proposal. As delegate for Hungary, the country which produced Tokay, she should, no doubt, support them, but as a woman she was strongly opposed to alcohol. She recognised that wine contained only a small percentage of alcohol. The campaign was directed chiefly against strong alcoholic drinks. No one on the Committee desired to set up the "dry regime" of the United States, but they had to fight against the degeneration brought about by alcohol. It was necessary not only to protect mandated populations from dangerous drugs but also to combat alcoholism in Europe. A committee should be set up to investigate this serious problem.

Mr. LEY (Australia) said that, while fully appreciating the high purpose of the Finnish resolution, he did not consider that the Committee was competent to enter into a discussion of the relative merits of prohibition and anti-prohibition. The question was whether it could, under

the Covenant, deal with this question. He had himself failed to discover in the Covenant any provision under which this resolution might be brought. The Covenant was a document which must not be tampered with, either with a view to restricting or to extending its scope.

The Finnish delegate had invited the attention of the Committee to Article 23 (*f*) of the Covenant, but in order to bring alcoholism under this clause it had to be, first of all, an international matter, and, secondly, definitely a cause of disease. If it were said that the abuse of alcohol causing delirium tremens came under this provision of the Covenant, it would be necessary to include also the drinking of impure milk causing tuberculosis, and excessive smoking, causing nicotine poisoning. The Committee must not allow itself to be led into extending the provisions of the Covenant to matters with which that document had never been intended to deal.

The Swedish delegate had supported his argument by referring to mandates, but the consumption of alcohol by native races was a different matter from the question as it affected Europe, and what was now proposed was an extension of the Covenant to which no reasonable person could agree. As a former Minister of Justice, he had had a good deal to do with the question of alcoholism, and he had never yet found a unanimous opinion in favour of regarding alcohol as a dangerous drug. The authors of the Covenant never intended to place the control of alcohol within the jurisdiction of the League. Enthusiasts who worked with too much zeal for making the world "dry" damaged their own cause. America was still experimenting on the subject of prohibition and so was Northern Europe. All these efforts were in an experimental stage, and even if an agreement were reached under the auspices of the League of Nations, the League would have no jurisdiction so far as America and other countries were concerned, and these might not agree with what was proposed. Not only would uniform legislation interfere with the progress of the experiments now taking place, but it would affect the internal liberty of States Members of the League. Smuggling might be an international question, but he understood that at present it was an offence against the particular law of a nation. He had an intense interest in the League and would say, with all the earnestness and energy of which he was capable, that if the Second Committee tampered, however slightly, with the Covenant on which the League's work was based, it would be taking action for which there was no possible justification.

Dr. LUPU (Roumania) said that the discussion had wandered from the point. There was no question of prohibiting wine or beer, which were not dangerous drugs, but of prohibiting the abuse of alcoholic products which poisoned part of humanity, especially the working classes. That was the meaning of paragraphs (*c*) and (*f*) of Article 23, for numerous diseases were caused by alcohol. Moreover, it was to the interest of wine-producing countries to combat adulteration whereby the normal vintage was doubled or trebled.

Dr. Lupu had been greatly impressed by the value and importance of the work done by the Health Committee.

He asked that a Committee should be set up to study the question and to collect a complete set of documents on the subject, so that resolutions could be framed which the States would be free to adopt.

Mr. LEY (Australia) asked to be allowed to move the following proposal :

"The Second Committee is unable to agree to the proposal of the delegate for Finland."

M. DE BROUCKÈRE (Belgium) thought that Article 23 of the Covenant not only gave the right but laid down the duty to consider the question of dangerous drugs. It was evident that certain alcoholic drinks were harmful. Article 23 authorised the Assembly to extend the sphere of the League's activity by a unanimous resolution. Neither the Council nor the Assembly had the power to interpret the Covenant arbitrarily and it could not be declared in advance that a question was outside the competence of the League. The French delegation had defended this theory the previous year, and had opposed any attempt to define once for all the sphere of activity of the League.

The League of Nations had made great efforts to mitigate the evils caused by dangerous drugs used in certain distant countries. But some of its Members seemed hardly inclined to fight with the same energy against the abuses and dangers resulting from the use of dangerous drugs in Europe.

In order to obtain unanimity, the speaker proposed to refer the question of alcoholism to the Health Committee. It would be for it to decide whether there was any need to set up a special committee.

Major ELLIOT (British Empire) did not think it possible to declare this question to be outside the competence of the League of Nations, since various League organisations had already studied it.

It had been proposed that this question should be studied by a special committee. Personally, Major Elliot was not in favour of this proposal, for he thought it would lead to a limitation of the practical work against alcoholism which had been done by the League of Nations. Alcoholism under certain circumstances was capable of doing considerable harm. It was not only the League's right but it was also its duty to examine it from this point of view. It was in fact studying this question at the moment and, if the Health Section considered that any question relating to alcoholism was of first-class importance, it could examine it without any special authorisation from the Second Committee.

Major Elliot agreed with the Finnish delegate that northern countries were more directly affected by the evils of alcoholism than southern countries. The problem in question was one which must be dealt with by the nations concerned.

He urged the supporters of the proposal to take into account the considerable difference of opinion which existed and to withdraw the proposal so that it might be adjourned until the next session of the Assembly. It might then be possible to produce a more complete documentation than it had been possible to do at the present time.

M. PAMS (France), representing French vine-growers, had expected that wine would be attacked. But, on the contrary, it had been extolled. He asked the Committee to remember this, and he considered his case as won.

M. VOIONMAA (Finland) said he had as serious a conception of the Covenant as had the delegate of Australia. It was an established law. But was there anything in it to forbid the discussion of the question of alcoholism? Was everything not mentioned in the Covenant to be excluded from the competence of the League of Nations? No, since it was already considering the question of alcoholism. It was only necessary to co-ordinate activities and organise the work.

Sir FAZL-I-HUSSAIN (India) wished to state the position of his Government as regards alcoholism. India was very favourable to temperance in alcoholic liquor, and in all the provinces public opinion was daily growing in favour of prohibition. It was only the ease with which alcoholic drinks could be made in the interior of the country which had formed an obstacle to the adoption of prohibition legislation in the Provincial Legislatures. There was a tendency for the evil to increase in industrial centres. Present legislation was satisfactory to keep alcohol under control, and the Government of India did not consider it necessary to take further action for the present. From the course of the present debate, it appeared to him that the time had not yet come for the League of Nations to take this matter in hand. He therefore begged those who had put forward the proposal not to create a difference of opinion. To create a serious difference of opinion in a Committee of the League of Nations would not serve the cause of anti-alcoholism and would not redound to the credit of that Committee.

Professor BURCKHARDT (Switzerland) stated that his country had given anxious thought to this question, but that it had a particularly difficult aspect inasmuch as the laws were different in the various cantons. The new Constitution which was now being framed would devote special attention to the repression of alcoholism.

Could the League of Nations make a practical study of the problem of alcohol? It had already been asked to settle practical questions arising out of alcoholism from the medical, physiological and sociological points of view. Those were great health problems. But was it necessary to make a new problem of alcohol? Could practical results be obtained through preparing an international law on alcoholism or a convention on the methods to be followed in fighting it? Legally, it was impossible, for the Second Committee was not unanimous. The problem would in due time come within the League's sphere of activity.

M. LOUCHEUR (France) said that the attitude of the French delegation was due to the way in which this problem had been introduced. It was willing to fight the abuses and dangers of alcohol, but it refused to consider it as a dangerous drug or to interpret Article 23 (f) as had been done.

He regretted that it was not possible to decide the question of competence, but this could not be done satisfactorily at the present time.

M. Loucheur could not agree to the proposal that this question should be referred to the Health Committee, because it would be introduced by means of the Finnish, Polish and Swedish motion. The French delegation absolutely refused to follow the writers of the letter under discussion because of the auspices under which they had acted, those of the International League against Alcoholism, whose headquarters were at Lausanne, which had nothing to do with the League of Nations, and which proposed to attack not only alcohol but also wine. The delegation, however, would agree to the problems arising out of the abuse of alcohol being referred to the Health Committee.

Moreover, France had concluded with the United States a very important agreement as regards smuggling, which gave to the American authorities a right of search on French ships outside the United States territorial zone. But the smuggling of alcohol was not the only abuse which had to be checked. The League of Nations had for a long time considered the question of the smuggling of securities. It had met with determined resistance. M. Loucheur thought that the question of alcoholism should in its own interest be introduced in a different way. He wished, therefore, to avoid a vote on the previous question, and he asked the Australian delegate to be good enough to withdraw his motion. A premature vote would prevent the League of Nations from taking steps against the abuse of alcohol for a more or less long period of time.

M. Loucheur proposed that the meeting be adjourned for a short time so that the delegates who had signed the motion might consult with each other.

The meeting was adjourned at 6.20 and resumed at 6.40 p.m.

M. VOIONMAA (Finland) submitted the following statement :

After an exhaustive debate, which has shown the complex nature of the problem, and considering the difficulties of principle and procedure which have been raised, the signatory delegations, while maintaining the principle of their motion, have decided to withdraw it provisionally, while reserving the right to submit it in another form.

EIGHTH MEETING

Held on Saturday, September 17th, 1927, at 3 p.m.

In the Chair : M. VEVERKA (Czechoslovakia), Vice-Chairman.

M. VEVERKA (Czechoslovakia), Vice-Chairman, apologised for the absence of the Chairman, Mr. Dandurand (Canada), who was detained at a Council meeting.

24. Rationalisation and Scientific Organisation of Labour : Telegram from the Third International Congress on the Scientific Organisation of Labour.

The CHAIRMAN read the following telegram from the Third International Congress on the Scientific Organisation of Labour :

“The Congress requests the Assembly to take any action that may be expedient on the recommendations of the Economic Conference regarding the rationalisation and scientific organisation of labour, and to afford the appropriate international organisations an opportunity of continuing on a permanent basis the co-operation which has hitherto been so satisfactorily arranged.”

25. Catastrophe in Japan : Letter from the Japanese Delegation.

The CHAIRMAN read a letter from the Japanese delegation thanking the Committee for the sympathy which had been expressed in connection with the catastrophe that had occurred in Japan.

26. Work of the International Economic Conference.

The CHAIRMAN welcomed M. Theunis, President of the International Economic Conference, and called upon him to make a statement on the work of the Conference.

M. THEUNIS (President of the International Economic Conference) said he would not pretend that he had not been asked to do a difficult thing, for there could be no more ungrateful task than that of giving such a survey in a short space of time. He had to describe highly complicated work which had lasted for three closely packed weeks.

Moreover, he feared that, by dwelling on certain subjects, he would strain the patience of some of the members of the Committee who had been present at the Conference or had been kind enough to read its voluminous reports. He would simply summarise the Conference's work, sketch its origin and its aims, and explain its recommendations.

The Conference was the outcome of a suggestion made at the session of the Assembly held in September 1925, by M. Loucheur, who had had the happy idea of proposing that the League should direct part of its activity to economic questions. The result of this motion had been an Assembly resolution, which he would read :

“The Assembly,

“Firmly resolved to seek all possible means of establishing peace throughout the world;

“Convinced that economic peace will largely contribute to security among the nations;

“Persuaded of the necessity of investigating the economic difficulties which stand in the way of the revival of general prosperity and of ascertaining the best means of overcoming these difficulties and of preventing disputes:

“Invites the Council to consider at the earliest possible moment the expediency of constituting on a wide basis a Preparatory Committee which, with the assistance of the Technical Organisations of the League and of the International Labour Office, will prepare the work for an International Economic Conference.

“The convening of this Conference under the auspices of the League of Nations shall be a matter for subsequent decision by the Council.”

In this resolution, which embodied M. Loucheur's proposal, the two linked ideas of peace and prosperity could already be seen, and their conjunction more than justified the initiative taken by the League.

In pursuance of this decision, the Council had appointed a Preparatory Committee, which met for the first time in April 1926. It consisted of thirty-five persons from twenty-one different countries, but its special characteristic was that those thirty-five persons were drawn from very different spheres. They included officials, manufacturers, traders, representatives of labour, consumers' representatives and economists—spokesmen of widely varied and sometimes opposing interests. It was the first attempt of its kind, the first occasion on which an expert opinion had been sought from persons who inevitably could not hold identical views on many subjects.

That somewhat risky experiment seemed to have succeeded, not merely in the Preparatory Committee, but in the Conference itself, the composition of which followed the same principles. The Preparatory Committee had held two sessions, in April 1926 and in November of the

same year. In April 1926, the Committee had had to attack the very general and somewhat intimidating programme outlined by the Assembly. This programme implied great confidence in the Preparatory Committee, for the latter was asked to interpret indications which the Council had deliberately given in very general terms.

The initial work therefore consisted in making a kind of catalogue of all the economic difficulties. It was a long and by no means unimpressive list, and some of its readers might have thought that the Conference would last for years and never get anywhere. Everything had straightened itself out, however, and six months later, at its second session, the Preparatory Committee had reached unanimous agreement on a programme.

The Council had asked the Committee to decide on the composition of the Conference, its date and its agenda. The Committee agreed upon the three obvious main classes of questions—industry, commerce and agriculture—making no special place either for finance or for the problem (important though it was) of population.

Financial questions were no longer so acute as before the Brussels Conference, which was also due to the League's initiative. Population questions took their place among questions of commerce, but more particularly among industrial and agricultural questions.

Having established the programme, the Preparatory Committee next had to discuss the somewhat delicate question of the composition of the Conference, and succeeded in agreeing upon a resolution to the effect that all countries should be invited to the Conference, whether Members of the League or not, provided that the latter countries had some degree of economic importance.

Actually, fifty countries were represented at the Conference.

With regard to the relation between the members of the Conference and their Governments, it was agreed, after discussion, that the delegates should be selected by their Governments, but should not be the mouthpieces of the Governments' official policy. Indeed, the Governments—particularly those which were sending a considerable number of delegates (five was the maximum)—were recommended to endeavour so to distribute appointments that, as had been the case with the Preparatory Committee, the delegates should represent the different trends of economic opinion in the country.

The Conference was fixed for May 1927. A year had passed since the first session of the Preparatory Committee, and eight years since the signature of the Peace Treaty.

Some people had perhaps wondered why, if the Economic Conference were essential, it had not been held sooner. M. Theunis thought that waiting had been a wise policy, for the admitted success of the Conference had been primarily due to the general atmosphere throughout the world, particularly in Europe. Certain truths were only admitted at certain times—for example, after errors had been recognised. But sometimes a particular atmosphere was necessary before such errors could be recognised, before any attempt could be made to organise European and world co-operation on such delicate questions as those affecting economic life, in which there was often a conflict of interests.

It had therefore been wise to wait until the atmosphere had improved. There could be no doubt that by the beginning of the present year it had improved. Another important factor in the success of the Conference was that the European economic position—for it was primarily Europe that needed the Conference—was more hopeful. The greatest financial difficulties had disappeared, or at all events become less acute; and some people thought that the problems to be dealt with could not be touched until a certain degree of financial order had been re-established.

Thus a year had passed between the first meeting of the Preparatory Committee and the Conference. This was necessary since, if any useful result was to be secured, very careful preparations had to be made for the Conference. In 1922, there had been an example of a Conference held with the best intentions, but without success, because it was held in an insufficiently favourable atmosphere and because the preparations had been made somewhat too hastily.

Further, the whole year which had elapsed between the first session of the Preparatory Committee and the Conference itself had not been too long for the Economic Organisation of the League to collect the important and valuable set of documents which had been distributed to the members. This unequalled documentation had the immense additional advantage of being up to date.

Before attacking such an important task, the failure of which would have been a serious matter for all countries and for the League, it was therefore better to wait until adequate preparations had been made, that was to say, until May 1927.

In that month the Conference met. It was attended by 194 delegates and 150 experts from fifty different countries. Its composition was unique, inasmuch as it included specialists on all relevant subjects—those represented in the Preparatory Committee and a number of others as well. Not only all the regions of the world were represented but almost all interests in every country and all shades of philosophical, economic and political opinion.

This was an important point in the sense that, after three weeks' discussion, the Conference was able to produce a very full, serious and important collection of urgent, and in many cases detailed, recommendations which were unanimously adopted.

He would call attention to the word "unanimously". Meetings very often came to unanimous conclusions. Every week the newspapers reported the same thing at congresses of manufacturers, traders, workers' representatives, Chambers of Commerce, and political parties, national or even international. But in all these cases the persons concerned had obvious common interests, and were therefore in agreement beforehand on the main points.

At the Economic Conference what appeared to be the most diametrically opposite views had been brought together, as if for a wager. For example, there were representatives of the principal employers' organisations and there was the General Secretary of the *Confédération générale du travail*.

Without in any way receding from their individual attitudes on any given point, these representatives had arrived at unanimity in their recommendations. From this might be inferred a conclusion which should impress all honest thinkers, namely, that if, despite differences of race and economic and political circumstances, the delegates to the Economic Conference—persons who were generally recognised as well qualified—had arrived at unanimous recommendations, it was as certain as anything could be in this world that their recommendations represented what was at the moment the economic truth. In any case, he could not imagine what better guarantee could be asked.

He had pressed this point in order to show that, notwithstanding the scepticism which had been displayed in many quarters—a scepticism which could not be conquered, but could be ignored—the Conference had had the result of bringing divergent interests closer together.

Having thus sketched the composition of the Conference and emphasised the importance of the fact that its resolutions were adopted unanimously, which added to their weight, he would next endeavour—and this, he thought, was perhaps the most difficult part of his task—to summarise the work of the Conference and to pick out what seemed to him the most important of its recommendations.

In his opinion, and in that of the majority of the economists and qualified persons who had examined the work of the Conference, the main theme lay with the Committee on Commerce. The main problem was that of reducing what are called obstacles to commerce. It was a very delicate and difficult subject, which might easily lead to catastrophe.

However little one may have studied books on political economy, one could not but know that a quarrel as ancient as civilisation itself existed between free traders and protectionists. There were certainly free traders amongst the members of the Conference, and equally certainly there were convinced protectionists, and those who represented the varied opinions that lay between these two extremes.

Happily, the members had refused to enter upon any rhetorical contest on the theme of free trade and protectionism, which might perhaps have been of interest to theorists but which would have led to no results. They had agreed to meet upon ground where the most extreme theories could find expression. There had been no question of free trade. What had been attempted was to obtain, or rather to encourage, "freer trade".

Rome had not been built in a day, and, even supposing that free trade had been an ideal in far distant times, it was necessary now to begin with a freer trade. The work was already difficult enough.

Results had been obtained along these lines. The Committee on Commerce, in which perhaps the most antagonistic theories confronted each other, had come to very definite conclusions. M. Theunis insisted upon this point. It would perhaps be said that a unanimous opinion was easily obtained at Geneva, even amongst persons of opposite convictions, thanks to the vague formulæ which everybody could read just as he pleased, and where everybody could find support for his point of view by interpreting the text after his own fashion.

In this case, however, there were no vague formulæ. Very rarely had such clear convictions been expressed in a meeting of this kind.

The report of the Committee on Commerce, after showing the causes and the nature of the principal obstacles encountered by international trade, recalled the new causes of obstruction, that was to say, the war and its consequences; import and export prohibitions and restrictions, and the licence system, the difficulties and even the abuses of which were well known.

It was admitted that all these obstacles were on the decrease, but it was categorically stated that the remaining war measures should also disappear.

Immediately afterwards, the Committee applied itself to its main task, the tariff question. It pointed out that the present tariffs throughout the world, and more especially in Europe, were higher than the pre-war tariffs, more detailed and more complicated, thus constituting a great practical disadvantage which was frequently used to conceal tariff increases and a certain kind of protectionism. Finally, and this was almost as serious, the tariffs were far less stable than before the war.

Having shown where the evil lay, the Committee stated concisely that the time had come to put an end to the increase in tariffs and to move in the opposite direction. It recommended a decrease in the rates. In this the Committee had shown itself practical and moderate. It did not, as a matter of fact, speak of suppressing the Customs barriers—an ideal as yet somewhat distant—but recommended that the rates should be reduced and stabilised. M. Theunis merely indicated the broad outlines of the policy and repeated emphatically that this recommendation was unanimous and admitted of but one interpretation.

The above represented an important result of the conclusions of the Committee on Commerce, which he summed up in the words of its report :

1. "That harmful effects upon production and trade result from the high and constantly changing tariffs which are applied in many countries.
2. "That substantial improvement in the economic conditions can be obtained by increased facilities for international trade and commerce.
3. "That what are called bargaining or fighting tariffs must be condemned."

It was common knowledge that nowadays, when discussing Customs tariffs, a beginning was made by submitting a tariff with very high—one might almost say ridiculous—rates. Both parties did the same. Negotiations were begun on this high level in the hope of bartering one reduction for another. The starting-point being a bad one, despite all the efforts at decreasing, despite all the bargaining and despite even the good will of both parties, something of the initial idea remained, namely, the fighting tariff. Although interesting results were sometimes obtained,

this bargaining often left in force tariffs, which had not been intended to represent normal tariffs, and were necessary neither to the country nor to the Treasury.

The Conference recommended the League or its competent economic organisation to examine the possibility of further action by the various States.

This is where the League could usefully intervene. National action was not sufficient to put an end to the evils and abuses to which he had referred. When the League made certain recommendations at the Brussels Financial Conference in 1920, which could be considered as a kind of rule of financial health, each State, at least theoretically and sometimes practically, could apply the rule to itself.

It was not sufficient to be imbued with the best intentions, the best theories, the best ideas in tariffs and commercial treaties, etc., in regard to the problems dealt with by the Economic Conference, which were essentially questions of international relations. Here at least two parties were required, more often three, four, five, twenty. The larger the number, the better.

The aim of the League was to establish such relations. In certain organisations the parties interested met together and, although their opinions might be antagonistic, they ended in agreement. It was here that the League should intervene, by means of the continued action of its competent organisations, with a view to eliminating or reducing these commercial barriers.

Without under-estimating the importance of the other committees and the value of other recommendations, this appeared to be the essence, the crucial point, of the recommendations made by the Economic Conference.

M. Theunis quoted a sentence from the report of the Committee on Commerce which summarised his observations :

“In spite of the variety of questions raised, the diversity of theories and the legitimate national sentiments of all those who took part in the discussion, one important and extremely encouraging fact has emerged, and, having emerged, has become increasingly manifest as the work has advanced. This fact is the unanimous desire of the members of the Conference to make sure that this Conference shall, in some way, mark the beginning of a new era, during which international commerce will successively overcome all obstacles in its path that unduly hamper it, and resume that general upward movement which is at once a sign of the world's economic health and the necessary condition for the development of civilisation.”

After having insisted upon this principal point in the recommendations of the Committee on Commerce, it would be a mistake to minimise their importance by recalling in detail the various other points, important in themselves, but which depended upon the question which had been examined and dealt with by the Conference : import and export prohibitions and restrictions, Customs formalities, the form of commercial treaties and Customs tariffs, the question of Government subsidies, dumping and all those innumerable forms of commercial barriers which existed to a greater or lesser degree before the war, but which had been enormously developed since.

It was all the more necessary to take action in that the economic organisation of Europe, which was the most directly affected by this question, had become less advantageous, since the various treaties had increased the number of Customs frontiers from twenty to twenty-seven and added some ten to eleven thousand kilometers to their length.

Customs tariffs had become huge volumes in which even the cleverest experts lost their way. Generally speaking, moreover, the level of the tariffs, especially for manufactured goods, was one-third higher than before 1914.

Briefly, not only were Customs conditions worse than before the war but—which was much more serious—they were far less stable. Everybody knew that, in the sphere of industry, of commerce and of economic interchange, security was essential and that one of the elements of security was the stability of commercial treaties. Now, before the war, commercial treaties were concluded for ten or fifteen years, whereas a return drawn up by the Economic Section of the Secretariat showed that, out of the 180 commercial treaties or conventions now known to exist, there were 153 the duration of which or the notice of denunciation for which was less than one year.

In other words, it was impossible, on such unsteady ground, to re-establish a minimum of security, commercial interchange or stability in the industries which supplied the materials for trade.

Passing to the work and the recommendations of the Committees on Industry and Agriculture, M. Theunis said that, while the recommendations of the Committee on Commerce distinctly advocated a very definite change in the economic policy followed in regard to commerce, the recommendations of the Committee on Industry were less explicit on this head.

The Committee on Industry had started with a survey of existing conditions in the various industries and their position in the world market, and had gone into the question of the cost of production and prices. It had made recommendations, which were certainly very interesting and very just, for the development of what was called rationalisation, a barbarous term which meant more method in industrial organisation; and, lastly, it recommended, what was always useful, interchanges of information and statistics, so that each concern could see what others were doing and profit thereby.

But one of the points which had given rise to the most searching and sometimes the most heated discussions in the Committee on Industry was the question of what were wrongly called industrial “trusts”, because the right word should be, rather, industrial “agreements”. Still, they might be called trusts, since the word had been used.

The discussions were protracted, and not only superficial but radical differences of opinion had shown themselves, as the report frankly admitted.

In the Committee on Industry and in the Conference there were indeed a certain number of persons who regarded the establishment, development and extension of industrial trusts as a sort of panacea for all the ills that beset industry. There was no doubt that they did not succeed in convincing the rest of their colleagues. The question had been thrashed out in all its aspects. The discussions had shown that the growth of trusts must, to a certain extent, be limited; that it was hardly possible in the present industrial conditions to extend the trust system to all industries; that the industries where trusts were most appropriate and most valuable were those in which a certain degree of centralisation and organisation already existed. Further, it seemed to have been proved that the trust system could only be applied to the industries that went in for what was called mass production—in other words, that turned out more or less standardised products, and where comparison was more or less possible. M. Theunis quoted for example the steel trust, which did not manufacture highly finished products, but girders and rails. In this industry the trust system was comparatively easy to apply.

If it were desired to form a trust for very complicated mechanical industries, the problem would be, if not insoluble, at any rate exceedingly perplexing.

There were limits, therefore, to the trust system. It was certain that the conditions under which a trust might be formed varied with the countries or seasons. Periods of over-production or under-consumption might make trusts desirable, or, on the other hand, useless.

Lastly, the advantages and the dangers of trusts had been considered. Like so many other things in the world, trusts, like Æsop's tongue, did both good and harm. Everything depended on the spirit in which the trust was administered.

Certain advantages were universally conceded to trusts. There was no doubt that they led to a more methodical organisation of production. There could no longer exist in the same country rival factories, a few kilometers apart, both manufacturing every variety of a certain industrial product and usually working at full strength, in certain departments only, for a few months in the year, thus absorbing unproductive capital and carrying on at a sheer loss.

By the very fact of rationalisation and better method in manufacture, a reduction of cost prices was obtained, from which the consumer naturally benefited. Trusts therefore eliminated uneconomic competition, which wasted energy, power and capital.

By the foundation of certain trusts, as had recently happened, the chart of activity of the industry concerned could be maintained at a more regular curve; it would no longer show disastrous ups and downs from the general economic point of view and, in particular, as regarded labour, which at certain times was sought after and fawned upon and at others thrown on the street. These "wild" curves, moreover, presented disadvantages also for the consumer and the lesser industrialist, who required certain products and who was periodically at the mercy of an exaggerated demand, while at other times he could not sell his goods.

The trust system connoted then, after all, a certain stability in industry, which was desirable from every point of view, for stability meant method, and method always meant a reduction of sale prices, benefit for the consumer and the possibility of enlarging the ranks of consumers.

To the enumeration of these advantages, those who were not supporters of trusts—M. Theunis would not use the word "adversaries", for the trusts in principle had no adversaries—replied that they feared that trusts had diverged from the aim which officially and originally justified their creation. They pointed out that trusts might, if not at once, at any rate in the future, lead to monopoly, with all its well-known disadvantages; they feared that trusts would eliminate trade competition, which would be disastrous, since the pursuit of improvements leading to technical progress would also be eliminated; and, with the disappearance of competition, any incentive to do better than one's neighbour would also disappear.

It was said also that labour might fear that the employers, united in trusts, would be able to dictate their will and, in a wider circle, certain nations seemed to fear that, if they did not belong to the trusts for the reason that they did not possess the industrial organisations concerned, their nationals would be at the mercy of foreign manufacturers.

Since trusts thus presented advantages and disadvantages, the conclusion had been reached that they would be good or bad, useful or dangerous, according to the spirit in which they were conducted.

It was very naturally deduced that cartels required to be fairly closely supervised in order to ensure that they were following in the right paths, and it had been proposed to establish international control—a reasonable enough idea in these days. Nevertheless, the general opinion was that international control, exercised through an organisation created for the purpose, would be neither useful nor desirable. A demand was made that the League of Nations, the greatest of international bodies, should be enabled to follow closely the development of cartels and their methods of procedure. It was also recommended that cartels should be given the utmost possible publicity. Publicity of agreements and results was considered to furnish a means of denouncing abuses and of creating the necessary reaction before those abuses became so intolerable as to call for national or international legislation against cartels or trusts. In this connection, the speaker reminded the Committee that in America, forty or fifty years earlier, trusts had been so flagrantly abused as to lead, through reaction, to a series of restrictive laws, typical of which was the "Sherman Act", which went so far as to prevent all concentration in industry, even when desirable.

With regard to the Committee on Agriculture, M. Theunis pointed out that agriculture had for the first time been put upon an equal footing with other forms of human activity. Hitherto, all conferences of this kind had dealt with industry or commerce, and sometimes with both, but agriculture had always been treated as an intruder. That had been a mistake, and on this occasion the agricultural world had rightly taken an important part in the work.

Agriculture furnished the raw materials for a very large number of agricultural and other industries. It was bound up more closely with general prosperity than any other industrial activity. Without agricultural prosperity there was, in many countries, no prosperity at all, and, in all cases, agricultural prosperity or depression reacted very strongly upon the economic life of the country.

Lastly, it must not be forgotten that the agricultural class, which, especially in countries of small holdings, was, of course, not organised like other economic classes, was one of the largest of consumers. In the United States, industries prospered or languished according as the year had been good or bad for agriculture, and motor-cars were sold in larger or smaller numbers according as the peasant had sold his corn well or badly.

Accordingly, agriculturists had very rightly been given an opportunity of taking part in the meetings. They had not been called upon to study as many international questions as the members of the other committees, but they had concerned themselves with industrial and commercial methods, questions of commercial treaties, transport, tariffs, etc. Apart from these general questions, agriculture had not dealt with anything particularly new, for innovation was not its sphere, but it had aimed at developing the best that was in it : agricultural credits, buying and selling co-operative associations, questions relating to the organisation of agricultural production. It had also studied the organisation for prevention of disease in plants and animals. In short, it had recommended the development and extension in certain directions of methods already adopted and of work already carried on by large institutions like the International Institute of Agriculture at Rome and the big agricultural associations.

In addition to the recommendations of the three Committees, the Conference had expressed certain general wishes. It had welcomed the collaboration at Geneva of almost the whole of the economic world, and had seen in that fact a happy omen for the improvement of the world economic situation. It had earnestly recommended to the Governments and peoples represented the new aspect of the economic problem revealed by the resolution of the Assembly of 1925, and consisting in the connection between peace and prosperity. There could be no lasting peace without prosperity. It had proclaimed, as the Committee on Commerce had already done in a more restricted field, that, although the economic policy of a country depended absolutely and alone upon the national will, it was also linked up with policy in general, and that, therefore, the economic measures taken by a given country reacted not only within its frontiers but also upon its foreign relations, and thus upon peace.

Economic difficulties very quickly developed into political difficulties; in other words, economic peace and political peace were essentially interdependent.

Having concluded his statement on the work of the Economic Conference, M. Theunis wished to press one point. That Conference had been the result of an initiative by the Assembly, of which the Second Committee was a part. It had been convened by the Council, and its members had been appointed by Governments.

When bringing the Economic Conference to a close in May, he had very particularly directed the attention of his colleagues to the fact that, by helping to put into effect the Conference's recommendations and by unanimously voting its resolutions, they were assuming a responsibility towards that new economic policy which the Conference thought to be the only possible policy for the world to follow; they were assuming the obligation of championing that policy in their countries and striving to promote the ideas which they had just proclaimed as sound, important and necessary to world reconstruction.

It was not enough to have given expression to such recommendations. Those recommendations must now be put into effect, and that task fell upon the responsible organisations, namely, the Governments.

In this respect the Committee had some influence, and he suggested that those members whose Governments had already approved the principles of the Economic Conference held last May should get into touch with the representatives of other Governments and recommend them to adopt these principles and support the resolutions which had been voted.

In the previous June, a number of countries—Belgium, Czechoslovakia, Germany, the Netherlands and others—had proclaimed their unconditional agreement with these recommendations. That was valuable encouragement, but it was not enough. It was necessary that the delegates of the countries there represented, having declared that those recommendations corresponded to economic truth, should, if necessary, urge their Governments to recognise them also and proceed to execute them.

The Second Committee, he thought, was in a position to give the necessary impulse. It should make recommendations to the Assembly of the League, and each delegate, when he returned to his own country, should ask his Government and, through his Government, the Governments of neighbouring States, to adopt the recommendations of the Economic Conference. In that way, the necessary atmosphere would be created, and when that was done and when the great majority of Governments—he would not venture to say all Governments—had accepted the Conference's resolutions, those Governments would be bound. They would have given a moral undertaking to do something, namely, to translate the recommendations into facts. The League of Nations would then intervene, for the League was the body best qualified to give practical form to the principles laid down at the Conference and to arrive at conventions capable of improving that economic chaos which had been the cause and origin of the Conference.

In conclusion, he drew attention to the necessity of obtaining as many accessions as possible at Geneva. He hoped that unanimity would be obtained in the Assembly in adopting the recommendations of the Economic Conference, which had been its own creation.

The CHAIRMAN voiced the feelings of the Committee by congratulating and thanking M. Theunis for his masterly statement and for his constant efforts on behalf of the economic and political peace of the world.

M. DI PAULI (Austria) expressed his gratification at the success of the Economic Conference, and paid his tribute of admiration to the two pioneers of that great work of peace, M. Theunis and M. Loucheur.

Austria, as the country which had perhaps suffered economically more than any other from territorial readjustments due to the world war, had every interest in ensuring that the political frontiers did not become insurmountable economic barriers. Many resolutions voted by the Economic Conference expressed the ideas upon which the policy of his country was based, but Austria was unable to put these ideas into practice without assistance from others.

He reminded the Committee that he had referred last year to the unfurling of the free-trade flag by Austria in 1919, and he now expressed regret that his country had since had to lower that flag to half-mast, because its appeal had not been listened to by the other countries.

If it were really desired to ensure the peace of the world, political frontiers must be made less rigid, and the barbed wire of the political frontiers must be prevented from penetrating too deeply into the live flesh of the peoples. The Austrian Government and the Austrian nation were firmly resolved to champion the principles enunciated by the Economic Conference.

He then read a letter dated June 23rd, 1927, in which the Austrian Government had informed the Secretariat of the League of Nations of its adhesion to those principles. That letter contained the following passage :

“With regard to the individual recommendations of the International Economic Conference, I should like to make the following declaration : The invitation to conclude further tariff agreements, not to put autonomous tariffs into force before negotiating with other States and to grant most-favoured-nation treatment presents no difficulties in our case. Austria's commercial policy is fully in accordance with these principles. The Government will also take account of the recommendation to reduce excessive duties even before any action is taken internationally, starting with those which are due to temporary disturbances arising out of the war. The departments concerned will be instructed to revise our whole Customs tariff in the light of this principle.”

Since May, the Austrian Government had concluded treaties of fairly long duration with Czechoslovakia, Hungary and the United States. The treaty with Hungary had been concluded for two years and a-half, and that with the United States for eight years. Those treaties very considerably lowered Customs tariffs, and included the most-favoured-nation clause. Austria had every reason to wish that the resolutions of the Economic Conference should be applied as rapidly and in as large a measure as possible. Hence the Austrian Government eagerly awaited the convening of the Diplomatic Conference for the Abolition of Import and Export Restrictions and Prohibitions.

Lord LYTON (India) welcomed the unanimity of the Conference's resolutions. He was convinced that all the members of the Committee were doing their best to obtain the adhesion of their Governments to those resolutions.

Some countries had already adhered. India realised the need of removing every cause of friction and misunderstanding. No important conclusion of the Economic Conference appeared to be incompatible with her policy. It must, however, have time to consult public opinion, and especially the representatives of the people, before giving full adhesion to the conclusions of the Conference.

Fiscal autonomy was a recent experience in India, and in the exercise of its new-won freedom in fiscal matters, India had adopted a policy of discriminating protection. But this was not in conflict with the recommendations of the Economic Conference. Every industry which required protection must be able to prove that it enjoyed sufficient natural advantages to enable it to stand up against world competition without the shelter of a protectionist tariff. Protective tariffs were therefore of a temporary character only.

M. Theunis would understand that the adhesion by his country to the recommendations of the Conference *en bloc* was rather a question of time than of principle.

M. LÖFGREN (Sweden) expressed his great satisfaction at the recommendations for the lowering of the barriers which obstructed international trade.

The Swedish Government had adhered to the principles laid down by the Economic Conference, and it declared its readiness to co-operate in their general application.

He hoped that a resolution by the eighth ordinary session of the Assembly of the League would support the recommendations of the Conference and recommend the organisation, as rapidly as possible, of practical measures to apply them.

Dr. BREITSCHIED (Germany) said that Dr. Stresemann had asked him to express his regret at being unable to attend the meeting, as he was detained at a meeting of the Council.

He (Dr. Breitscheid) rejoiced at the success of the Economic Conference, and congratulated the President, M. Theunis, and the initiator of the Conference, M. Loucheur.

The Conference had proposed measures which would undoubtedly help towards the economic consolidation of Europe and of the entire world. It was not surprising, therefore, that its resolutions had been approved by the International Chamber of Commerce at its Stockholm Congress and by the Inter-Parliamentary Union at its recent meeting in Paris.

He did not think there was any justification for the scepticism that had been displayed in certain circles with regard to the results of the Economic Conference. Progress had indisputably been made in several directions.

In the first place, it had been established as a principle that the time had come to put an end to the increase of tariffs and to move in the opposite direction. The Conference had expressed itself in favour of the application, on as liberal lines as possible, of the general and unlimited most-favoured-nation clause in commercial treaties. It had also emphasised the necessity of removing trade barriers.

These principles having been clearly established, it remained for the Governments to apply them in practice. Parliaments and economic organisations, both of workers and employers, must try to work towards this end.

The German Government had adopted the resolutions of the Economic Conference without reserve and without delay. In this connection, Dr. Breitscheid read the decision taken by the German Cabinet on June 9th, 1927, to the effect that Germany approved all the resolutions of the International Economic Conference and declared its readiness to co-operate actively in their practical realisation.

The German Government considered that the measures suggested by the Conference in regard to Customs and economic policy were essential to the economic reconstruction of Europe and the maintenance of peace. It was urgently necessary that the work of the League should be speeded up in order to put the Conference's resolutions into effect.

He was delighted that other countries had also adopted these resolutions, but he regretted that certain delegations had felt called upon to make reservations in their speeches in the Assembly.

The German delegation entirely shared the view of the Netherlands and Swedish delegations that the decisions of the Conference must be accepted and applied as a whole if they were to be fully effective. He wished to lay particular emphasis on this point to which he wished to call general attention. To apply only some of the recommendations in order to secure their advantages would be incompatible with the spirit in which the Economic Conference had taken its decisions.

In the opinion of the Conference, most-favoured-nation treatment and the reduction and consolidation by treaty of the incidence of Customs duties formed an indissoluble whole. It was not possible to extract from this system the principle of most-favoured-nation treatment, and to claim its application while ignoring the other component factors of the system. This was particularly incompatible with the most-favoured-nation idea in its broadest and most liberal form as contemplated by the Conference, because in some cases almost prohibitive duties were imposed on certain specified goods. With reference to the particular case of the exaggerated specification of items in the Customs tariff, which had the same discriminative effect, the Economic Conference had explicitly pronounced against such a procedure.

Not all the Governments had yet stated what attitude they proposed to adopt towards the Geneva resolutions. Some were still considering them. The League Secretariat, which was collecting the Government replies, might well make a synthetic study of them, showing not merely the formal accessions but also the practical action taken in each country.

Two important results had already been achieved in Germany. First, the Economic Council of the Reich had been asked by the Government for an opinion as to those items in the Customs tariff which could be reduced. Secondly, the German tariff level had been considerably reduced after the conclusion of the Franco-German agreement, which was also a great practical success for the Economic Conference. Where two years of painful negotiation had failed, the spirit of Geneva had brought the two delegations to an agreement. Germany had accepted the principle of reducing duties, which the Conference had recommended; and, on the French side, the principle of the most-favoured-nation clause and the principle of consolidating duties by treaty, both of which had until then been unknown in French Customs policy, had been applied in the treaty. He hoped that other countries would soon follow the example of France and Germany.

Referring to the abolition of import and export restrictions, Dr. Breitscheid observed that there was already in existence a draft international convention which was to be examined by the Diplomatic Conference to be held at Geneva on October 17th, 1927. He felt, however, that Article 5, which, in its present form, contained a fairly comprehensive clause dealing with exceptions, was not entirely compatible with the spirit of the Conference, which was against impracticable solutions.

In regard to the unification of Customs nomenclature, he congratulated the Secretariat on the promptitude with which it had compiled a survey of the present situation in the matter of commercial treaties and contractual systems. The Sub-Committee appointed by the Economic Committee had also begun its work with considerable success.

Speaking of the stability of Customs conventions, he stated that Germany had concluded commercial treaties with the United States for ten years and with England and Italy for five years.

Returning to the general question of Customs tariffs, Dr. Breitscheid reminded the Committee that the framework of a tariff had already been constructed by the Sub-Committee set up at the extraordinary session of the Economic Committee. It would be submitted to the Committee, together with proposals in regard to the best methods to be adopted.

In conclusion, he urged the necessity of applying the Conference's recommendations in full. That, he said, was essential for the economic reconstruction of Europe and of the entire world.

M. NAGAI (Japan) thought that the International Economic Conference must be regarded as a turning-point not merely in the history of the League but in the economic evolution of the human race. It was not too much to say that a decisive point had been reached in the work of the League in the sphere of world economics.

The Conference had shown a unanimity of opinion which proved that the time had come for a permanent understanding among all civilised nations in order to secure greater freedom of

trade. For the development of international life and co-operation, it was indispensable that essential goods and labour should be able to circulate rapidly and without difficulty.

He reminded the Committee that, as long ago as the 1923 session of the Assembly, the Japanese delegation had enthusiastically supported the proposal concerning the equitable treatment of aliens and foreign enterprises.

The Japanese Government had signified its general approval of the Conference's recommendations. It would therefore cordially welcome any measures that might be taken in that spirit.

He recalled the words uttered by Viscount Ishii in the course of the discussions in the Council on the work of the Economic Conference: "Even the most praiseworthy resolutions have no real value unless they are effectively put into practice".

M. SUVICH (Italy) joined in the congratulations offered to M. Theunis.

He was pleased to note that nearly all the countries had approved the results of the Economic Conference, and that several had already promised their wholehearted support in putting the resolutions and recommendations of that Conference into practice. Italy was among those countries. Most of the resolutions were in accordance with the principles of the policy followed in that country. At the same time, the Italian Government considered that progress in certain directions which required very close international collaboration could only be effected by joint action on the part of the different States within the framework of the League of Nations, whose Economic Organisation should prepare the ground.

The Italian delegation concurred in the recommendation in favour of lowering Customs barriers, since that recommendation did not conflict with the need of certain countries to safeguard the existence of industries essential to national defence, while it also was closely connected with the problem of finding employment for labour in markets now closed to it.

The recommendation of the Conference regarding the consolidation of Customs reductions in favour of third Powers had again emphasised the necessity of a stable Customs regime in the different countries.

He agreed with the Rapporteur's recommendation that States should take an active part in the coming Diplomatic Conference for the Abolition of Import and Export Restrictions. He reminded the Committee that this question had first been raised by the Italian Government in 1924. Its importance was now confirmed by the discussions of the Economic Conference. It would be a good opportunity for States to prove the genuineness of their desire to translate these discussions into realities.

Another aim of the Conference to which he desired to draw attention, with a view to realising it in close collaboration with the principal countries, was the simplification and unification of Customs nomenclature.

Italy attached great importance to the resolutions concerning agricultural problems—in particular, those dealing with agricultural credit, as well as to the resolutions concerning industrial problems, such as the rationalisation of industry.

M. Suvich hoped that the Second Committee would formulate proposals which might accelerate and co-ordinate everything connected with the execution of the results of the Economic Conference.

Hussein Khan ALÂ (Persia) expressed his pleasure at the success obtained by the Economic Conference, which had set itself the task of discovering the means of re-establishing the economic equilibrium disturbed by the war. Although neutral, Persia had been invaded and ravaged, and famine had decimated the population in 1917 and 1918. Persia could not therefore view with indifference an enquiry into the possibility of improving the economic situation of the world.

The work of the Conference had not, however, embraced the whole problem and it was difficult for Persia to discover in its conclusions a remedy for her ills. From the agricultural point of view, Persia, by creating a national credit institute, had realised in advance one of the principal recommendations made by the Conference. From the industrial point of view, rationalisation and cartels could only interest the great producing countries possessing large capital and labour resources.

Persia was rich in raw materials, but lacked the means of exploiting them, and, whatever efforts she might make in that direction, she had no guarantee that her products would not be ousted by competition and that the outlets for her trade would not be barred by the Customs tariffs of other countries.

Even supposing that all Customs prohibitions were suppressed, the problem of import and export quotas had not yet been examined. To lay down for all countries without distinction the reduction or removal of tariffs meant ruin for those which were endeavouring to maintain their products against superior competition.

It would be a step in favour of universal economic co-operation if production were encouraged in those countries that possessed wealth which had not yet been exploited. Persia had proved at the Economic Conference that she was not sovereign in tariff matters. If she claimed liberty for her Customs, it was to enable her industries to develop. As a consequence of the tariff control imposed upon Persia by the foreign Powers for a whole century, her national industries had nearly been crushed out of existence. Moreover, insufficient Customs duties had hindered the establishment of new industries by facilitating the importation of foreign goods at prices which prevented competition from Persian products.

Certain necessary discriminations should therefore be expressed in the resolutions of the Economic Conference. The speaker was sorry to appear to criticise those resolutions, but he believed that he was sharing in the common task by showing, as, in fact, the President of the Conference had written, that the Conference could only be considered as a first

step, and that its work should be extended by such organisations as the League of Nations might consider fit, sufficiently large, however, to permit of a proportionate representation of all the countries concerned.

By insisting upon the problems of his own country, the Persian delegate spoke also for those other countries which possessed similar problems, and if the League aided in their solution, it would facilitate the exploitation of natural wealth which Persia would be only too glad to place at the disposal of the whole world.

M. KETO (Finland) stated that the Finnish Government approved the conclusions of the Economic Conference and had decided to endeavour to put them into practice. His Government had already taken steps to realise one of the most important resolutions, namely, that relating to commercial policy. Although Finland was among those European countries with fairly low protective duties, whilst certain fiscal taxes were relatively high, the present Finnish Government had laid before the Chamber a proposal in favour of a considerable reduction in a number of the present Customs duties. It had further appointed a Committee of experts to investigate and propose drastic modifications in the Customs system of the country, thus proving that the Finnish Government was animated by the recommendations of the International Economic Conference.

M. WORM-MÜLLER (Norway) recalled M. Hambro's statement in the Assembly that his Government supported without reserve the principles contained in the resolutions of the Economic Conference, and would do its utmost to put those principles into practice.

Norway was ready to co-operate with all the nations in endeavouring to improve the economic relations between States, and he was certain that the results of the Economic Conference would encourage the efforts made in this direction.

NINTH MEETING

Held on Monday, September 19th, 1927, at 10 a.m.

In the Chair : M. VEVERKA (Czechoslovakia), Vice-Chairman.

27. Work of the International Economic Conference (Continuation).

M. LÖFGREN (Sweden) emphasised the unanimity with which speakers had given their adherence to the resolutions of the Economic Conference, and he hoped that a proposal would be submitted firmly establishing the fundamental principles laid down during the Conference, so that the future work of the different organisations of the League might be placed upon a firm basis.

He hoped that the recommendations of the Economic Conference as regards commercial policy would be followed as strictly as possible, and that immediate measures would be taken to remove or lower the barriers which excessive Customs tariffs placed in the way of international exchange.

He recommended the study of general conventions between States, and hoped that collective rules would be laid down acceptable to the largest possible number of Governments, with a view to the establishment of an International Code of Commerce. With regard to international exchange, the procedure employed by the International Labour Organisation for social questions could be applied.

In conclusion, M. Löfgren read the following draft resolution :

"The Assembly, being the first general meeting since the International Economic Conference, approves and adopts as its own the unanimous recommendations of the Conference;

"It recommends, in particular, that the resolutions of the Economic Conference relating to tariffs and commercial policy should be put into effect not only by national action and bilateral agreements but also, to the greatest possible extent, by collective conventions concluded by means of international conferences of accredited Government representatives, with the aim of creating and gradually developing a common set of rules, including in the first place the general and equal application of the most-favoured-nation clause."

M. ANDERSEN (Denmark) congratulated M. Theunis and M. Loucheur, and reminded the Committee that the latter's proposal had been made on the eve of the conclusion of the Locarno Agreements. The date might be regarded as symbolical, signifying the interdependence of economic policy and the security problem.

The recommendations of the Conference were inspired by a clear understanding of the economic situation of Europe and the world, but these ideas were still very far from being realised in practice.

At the last Inter-Parliamentary Conference in Paris, there had been a model showing the economic barriers dividing Europe. A similar model would be very useful in the committee-room, for it would allow all the delegates to see with their own eyes the difference between the present economic situation and the recommendations of the Conference.

M. Andersen recalled the statements made by the German delegate regarding the principles which the Reich proposed to follow in matters of commercial policy. The Franco-German

Commercial Treaty seemed like a ray of light amid the present economic chaos of Europe; it denoted a re-adaptation of the economic policy of the two countries in the direction of moderation and liberalism, and it might be described as an economic Locarno of the West.

Denmark had long pursued a liberal economic policy. He therefore agreed with the observations of the Swedish delegate and with the speech recently delivered before the Assembly by the Netherlands delegate.

He mentioned the difficulties which might arise, particularly for small and medium-sized States, if the large countries, with their predominant political and economic influence, did not apply the principles formulated by the Conference. He urged his colleagues to act in unison and to carry into effect the recommendations of the Conference. He would refer particularly to the desirability of unifying Customs nomenclature and establishing uniform rules for the interpretation of the most-favoured-nation clause on a general and reciprocal basis. Only in this way would it be possible to suppress the present system, under which, as a result of the use of a very detailed list of tariff items, the most-favoured-nation clause could be and was frequently rendered illusory, even though established according to convention.

M. GLIWIC (Poland) associated himself with the congratulations offered to M. Loucheur and M. Theunis. He was glad that States non-Members of the League had taken part in the Conference, particularly the United States of America, which had actively participated in the discussions, and the representatives of the Union of Socialist Soviet Republics.

M. Gliwic pointed out that economists, industrialists and financiers had stood side by side with Government representatives and labour leaders. It was the first time that the representatives of agriculture had come into contact with those of industry and commerce, in an international conference. It was important to note that a common platform had been found for the most varying doctrines and interests.

Four essential questions could be distinguished : the strengthening of the purchasing power of the population, the close co-operation of producers, the rationalisation of markets and production, and facilities for international trade by the lowering of Customs barriers and the abolition of undue restrictions.

International cartels had given rise to numerous objections and reservations during the Conference, and the question did not seem sufficiently ripe for consideration at the present time.

M. Gliwic reminded the Committee that the Conference had adopted a number of resolutions recommending the lowering of Customs barriers and the abolition of restrictions upon international trade. The resolutions had been directed against post-war policy, and not against protection. He hoped that future Economic Conferences would deal with those questions which it had been impossible to examine in May 1927.

Although the results of the Conference had not been entirely satisfactory, the Conference had shown that it was possible publicly to discuss delicate questions which had hitherto been considered a sovereign prerogative of Governments. It had also affirmed the economic solidarity of the nations, and had shown that it was impossible to build up the prosperity of a State upon the ruins of its neighbour. It had proved an impressive manifestation in favour of peace.

The attitude of the Polish Government towards the Economic Conference was shown by the following note :

"The Polish Government has taken note with great interest of the reports and resolutions of the International Economic Conference, and greatly appreciates the work of economic *rapprochement*, which, thanks to the Conference, has made such remarkable progress.

"The Polish Government is convinced that the practical realisation of the resolutions of the International Economic Conference will depend, to a great extent, on the work of the League of Nations, which can itself contribute, by means of its Economic Organisation, to the carrying into effect of its resolutions in an equitable manner, taking account of the economic situation of the world and the particular situation of each State.

"The Polish Government is especially desirous that the Economic Organs of the League, taking into account the experience and composition of the Preparatory Committee for the International Economic Conference, should be able to acquire the means to fulfil the vast and responsible task laid upon the League."

The Polish Government regards the application of the recommendations of the Conference as one of the most urgent duties.

Certain necessities connected with internal economy and, above all, considerations of financial stability had compelled Poland to impose some temporary restrictions, but these would become unnecessary as soon as the principles of the Economic Conference were applied in their entirety by all countries.

M. BASTID (France) thought that the most important feature of the problems discussed by the Economic Conference was their universal character; they included industry, commerce and agriculture.

He particularly emphasised the connection between agricultural and other economic problems. M. Theunis had already drawn attention to the importance of the participation of agriculture in the work of the League, and France, as a great farming country, was highly gratified. The report of the Conference declared that the agricultural population was the only reservoir upon which humanity could draw to defend itself against the results of exaggerated industrial development.

After the excessive development of post-war industry, agriculture was resuming its former place, and it was desirable that at international meetings it should be given its rightful place in the foreground. Agricultural associations should therefore be granted fair representation on future organisations, and their delegates should be chosen with care.

M. Bastid particularly condemned all obstacles to the free distribution of the products of the soil. The system of export prohibitions and duties imposed a burden upon agriculture which was as unjust as it was uneconomic. France had already reduced these charges. Customs protection should place agriculture and industry upon the same footing.

Finally, M. Bastid declared that the conclusions of the report justified the hopes expressed for the future and, as the representative of an agricultural country, he gave them his approval.

Count VAN LYNDEN VAN SANDENBURG (Netherlands), after congratulating the organisers and members of the Conference, said that his Government had taken note of the Conference's work with great satisfaction. He thought that the principles laid down by the Conference would encourage economic reconstruction and constituted an important step towards a permanent understanding between the nations. The removal of artificial Customs barriers would be the best means of establishing peace.

The Netherlands Government had been particularly pleased with the resolution asking that measures of health control applied to agricultural products should be free of any suspicion of disguised protection.

He would collaborate heart and soul in any measures taken to put into force the resolutions of the Conference; he thought that the matter was urgent and that any postponement would be disastrous. Some countries would soon be compelled to decide whether they could persevere in the direction of free trade or whether, owing to the international economic situation, they would have to modify their principles. Words were not enough. Action was necessary, otherwise certain States would be unable to continue to apply the principles of free trade in view of the present international economic situation. The reorganisation of the Economic Organs of the League of Nations was therefore the first necessity, since it would be their duty to continue the work of the Conference.

M. ROLIN (Belgium), having thanked M. Loucheur, and having expressed his gratitude for the tributes paid to M. Theunis, said that the Belgian Government had been associated with the Conference from the outset, and he reminded the Committee that M. Vandervelde had obtained a unanimous and formal declaration to the effect that the Belgian Chambers would, as far as possible, put the recommendations of the Conference into practical effect.

Major ELLIOT (British Empire) desired, at the close of a debate on an extremely important subject, to congratulate M. Loucheur on his happy initiative. The British delegation had been very cautious in the initial stages when the case for calling the Conference was being argued, but the report of the latter was a most valuable document, from which Europe and the world would derive great advantage.

Those who were looking into such matters thought that the examination of the question of unstable currencies should be followed by the examination of other governmental actions which obstructed the economic life of nations : among these, tariffs were extremely important.

The Economic Conference had shown to a remarkable degree the interdependence of agriculture, industry and commerce. The importance of international relations in connection with agriculture had been brought out, and Italy, by means of the International Institute of Agriculture at Rome, had farsightedly taken the original practical steps towards the international organisation necessary in this connection. Though feeling a certain uneasiness with regard to the word "rationalisation", he congratulated the Conference on having found a means to discuss industry without raising the antagonisms and fears which persisted in the world in regard to this matter.

The main interest of the Conference concerned trade barriers, and figures showed that this matter was of intense interest to Great Britain.

He wished to make the following declaration :

"We are wholeheartedly in favour of the principles of this report and are willing and indeed anxious to play our part, and a leading part, in co-operating with other nations with a view to securing the practical application of its principles."

Great Britain might safely claim to be one of the group of low-tariff countries, as 98 per cent of the goods coming into Great Britain came in absolutely free of duty. His Government was pledged to the maintenance of this free market, but there were certain points in the resolutions to which Great Britain would find it difficult to adhere owing to the very size of that market. As regards the long-term stabilisation of tariffs, he felt that other nations would prefer that Great Britain should have 98 per cent of free imports rather than that it should set up a tariff and stabilise it for ten or fifteen years.

He would emphatically repeat that the results of the Conference offered an opportunity to the world which might not continue indefinitely. The pressure of circumstances on the low-tariff countries was a feature which must be taken into account. Unless practical steps were taken, the protectionist school might say that Great Britain ought to adopt the steps taken by other nations. If it did this, it would certainly not be praised for having fallen into line with the majority.

His delegation was wholeheartedly in favour of the principles of the report of the Conference, and believed that the practical steps for their application constituted the most hopeful avenue by which an organisation corresponding to the principles of the report could be called into being.

The important decisions would have to be taken by the responsible heads of Governments. The advice which had been given in the report of the Conference and elsewhere was excellent, but it must be put into effect, and he hoped that this would be done at an early stage and that the results would prove most fruitful.

M. DE VASCONCELLOS (Portugal) recalled the reservations and scepticism which marked the outset of the Conference, and he congratulated M. Loucheur and M. Theunis on not allowing themselves to be discouraged by the difficulties of their task. For several years he had, before other assemblies, urged the need of organising the economic solidarity of nations. Success, however, could not be achieved without the technical and moral authority of the League of Nations, thanks to which the Conference had been able to lay down unanimously the guiding principles of international economic co-operation.

Portugal had informally adhered two years ago to M. Loucheur's proposal; it had approved the conclusions of the Conference in principle, and intended to apply them as far as possible. That must not be taken as a reservation: countries which were not economically strong did not enjoy the same freedom of action as the Great Powers. The two could not be placed upon a footing of equality for the purposes of an international economic agreement. Portugal asked for fair treatment, and adhered to the recommendations in that spirit.

M. QUEZADA (Chile) also congratulated M. Theunis.

He emphasised the importance which the Chilean Government attached to the International Economic Conference, and thought that M. Loucheur, in proposing the Conference, had been inspired by the best possible idea for bringing about world peace. The solidarity, the interdependence of the nations was the dominant factor in international life, and the idea that every foreigner was an enemy must be abandoned.

Proof of the value of the Conference was to be found in the enthusiasm displayed by all countries in taking part in it. Although the members of the Conference had been appointed by their Governments, they had acted as individuals, and this was a further testimony to the wisdom with which the Conference had been organised.

Chile desired to carry out the resolutions of the Conference so far as they applied to it. There were, however, no import or export prohibitions in Chile, where almost all goods circulated without restriction. Measures concerning the export of capital were no longer necessary.

The standardisation of Customs nomenclature had been studied by various Pan-American Financial Conferences. Chile, which was engaged in recasting its Customs tariff and taxation system, would follow the resolutions of the Conference, which were quite in accord with its traditional economic policy. It was at present considering the conclusion of commercial conventions with other Latin-American countries.

In view of the problems peculiar to Chile's situation, he thought that regional economic agreements were particularly desirable. He compared the European countries, possessed of large resources as regards capital, technical experts and labour, with the Latin-American countries, which were in an inferior situation. The problems were not the same; they were not antagonistic, but merely different. Regional agreements between these countries were therefore necessary. They were not contrary to the spirit of the Conference, because they prepared the way for future universal agreements.

He was convinced that the principles enunciated by the Conference were true and fair; but he felt that the position of a new and distant country needed explanation. He hoped that the work of the Conference would be continued by other Conferences, to be held periodically, or by the permanent services of the League.

M. STUCKI (Switzerland) read the following declaration:

"The Swiss Federal Council welcomes the results of the Geneva International Economic Conference. It is prepared to say that the principles adopted by the Conference are in conformity with the guiding principles of Swiss economic policy. It notes with satisfaction that many Governments have stated that they are in agreement with the Geneva decisions, and it is prepared to co-operate in their fulfilment within the limits of its powers."

He did not think that the small countries could fail to carry out the recommendations of the Conference. If a great Power could live outside the League, a small country could not, either politically or economically.

He then explained the special position of Switzerland. The interdependence of nations had long since been brought home to her. There were no import or export restrictions in Switzerland, and its Customs tariff was one of the lowest in existence. There was no turnover tax and no luxury tax, and the relations of Switzerland with all countries were based upon the most-favoured-nation clause. Moreover, Switzerland had never, since the war, made use of her fighting tariff. Thus, she had complied in advance with the recommendations of the Conference.

A century had not elapsed since the time when each Swiss Canton had its own Customs, local dues and toll-houses. In spite of considerable difficulties, the Confederation had succeeded in abolishing all these barriers to commerce. M. Stucki regarded this as proof that considerable progress in this field might also be realised between nations.

M. DJOURITCH (Kingdom of the Serbs, Croats and Slovenes) supported the resolutions of the Conference, but was unable to give his Government's assent, as Parliament had been dissolved since the Conference was held, and had consequently been unable to study the question. In the Kingdom of the Serbs, Croats and Slovenes reconstruction was proceeding actively, and special efforts would be made to develop all the country's economic resources. A suitable economic policy would therefore have to be followed which would not run counter to the main principles of the Conference. Indeed, before the Conference had been convened, his Government had concluded commercial treaties, first with Great Britain and then with Germany, on the basis of the most-favoured-nation clause.

He was particularly glad that the Conference had dealt with agriculture as well as industry and commerce. The Conference had proved that the various activities of mankind were inter-

dependent, and all the different aspects of economic activity must therefore be treated as of equal importance if international economic relations were to be developed.

The competence of all its members should be the outstanding feature of the Economic Committee, and there should also be a section to collect information relating to every aspect of economics. A number of divergencies had arisen merely because the various economic factors had not been properly collated.

Don Pedro COSIO (Uruguay) made certain reservations regarding the resolutions of the Conference, more especially concerning the unconditional application of the most-favoured-nation clause. In theory, everyone was in favour of free trade; but in practice matters were different.

He also made reservations regarding the clause recommending fiscal equality between public and private enterprises. The Government of Uruguay, in order to fight against the formation of trusts by the cold-storage companies, was compelled to try to set up a State industry. He considered that his country was absolutely forced to encourage this State enterprise.

Subject to these reservations, he declared himself ready to vote for the draft resolution which had been submitted.

M. NECLCEA (Roumania) seconded the many congratulations addressed to M. Theunis and M. Loucheur and the Economic Section of the Secretariat of the League. The Economic Conference had tried to bring out the economic factors which were the cause of the world's discomfort. He hoped that bilateral agreements, which might later be transformed into international agreements, could immediately be concluded.

He was specially glad to see that the Economic Conference had proclaimed the interdependence of commerce, industry and agriculture, and had announced that an International Conference for the standardisation of economic statistics, which were at present so inadequate, would be held.

He agreed with M. Stucki that small countries, like the great Powers, could contribute to the general equilibrium. Roumania would do her utmost in this respect.

M. VANNERSTEN (Sweden) confined himself to drawing the attention of the Committee to his experience in negotiating commercial treaties.

Whenever he had stated that Sweden pursued a liberal economic policy, he had received the reply that that was because it was the most profitable policy for Sweden. Such a reply did an injustice to the Swedish Government's intentions.

He did not consider the abolition of Customs barriers to be the most important matter, because it could not be quickly achieved. The most serious problem was the most-favoured-nation clause. Even temporary discriminations caused a loss to the country against which they were directed, and made markets difficult or impossible to recover. He therefore appealed to the members of the Committee to attach special importance to the recommendations of the Economic Conference and to the unconditional most-favoured-nation clause.

The CHAIRMAN read the following resolution submitted by the Danish delegation :

"The Assembly, noting the fact that the success of the Economic Conference was due in a large measure to its careful preparation, whereby the economic position of the world was fully described with an authority hitherto unequalled, hopes that the publication of memoranda showing the state of world trade and production may become a regular feature of the annual programme of the Economic Organisation."

TENTH MEETING

Held on Monday, September 19th, 1927, at 3 p.m.

Chairman : Mr. DANDURAND (Canada).

28. Work of the International Economic Conference (Continuation).

M. MOLLOFF (Bulgaria) said that his country fully adhered to the principles laid down by the International Economic Conference. By way of putting these principles into application, the Bulgarian Parliament had last year abolished the restrictions in its Customs tariff. The recommendations of the International Economic Conference would be taken into account in the new Customs tariffs now under consideration. The Bulgarian Government thought that only by means of the principles laid down by the Economic Conference could stability be re-established in the world, and particularly in those countries of Europe which had suffered most from the consequences of the war.

M. LOUCHEUR (France) proposed to draw the conclusions from the interesting debates which had taken place in the Second Committee since Saturday morning. He would then endeavour to put forward the plan of economic organisation as he conceived of it.

He was sure he was interpreting the feelings of M. Theunis in stating how much they had both been touched by the kind words which had been lavished upon them. He thought it only fair to refer the honour of the work which had been done to the Second Committee itself, for the discussions which had taken place in that Committee in 1925 and 1926 must not be forgotten.

Certainly he had occasionally been somewhat impatient at the obstructions which had been placed in the way of the rapid accomplishment of the work which he had in mind. He recognised that the reflection which had arisen from this opposition had not been without its value.

From the discussions of the Economic Conference there had arisen a truth which at that time had been somewhat disputed but to-day was regarded as commonplace. He referred to the principle of the absolute interdependence of the peoples and the close connection between economics and politics.

Dr. Breitscheid, in an eloquent speech which he had delivered two days previously at the Grand Theatre of Geneva, had said :

“There is not only the question of the liaison between economics and politics. We must not forget that it is not merely a question of figures, of materials, but that it is also a question of men, and when we examine this important question we must thoroughly consider the point of view of the consumer and of the worker.”

The first justice to be done to the Economic Conference was to recognise that it had these two ideas at heart. M. Loucheur was convinced that the economic organisation which, continuing along the same path, would soon deal with the question of applying the resolutions of the International Economic Conference would also have this twofold preoccupation.

What had the Economic Conference done? In view of the fact that most of the members of the Committee had been actors in that Conference and in view of the clear and objective survey by its President, M. Theunis, there was no need to repeat or to take up again the decisions which it had reached. M. Loucheur reserved the right to make a statement later before the Assembly, which included men who had been less involved in the elaboration of those decisions.

The Committee would perhaps allow one of those who had, so to speak, held the Economic Conference at its baptismal font, to say what it had not done. It had no doubt begun to discuss, from the industrial and commercial points of view, the great question of national and then international economic *ententes*. But it had reached a rapid halt in this enquiry. It had not examined in detail all the conditions which the cartels or unions would have to fulfil if they were to respect all the interests involved. It would perhaps be the work of an Economic Conference, to be held in a few years' time, to examine this problem more closely. It must, however, be recognised that the Conference last May had already noted that there were other interests involved than those represented by the men who had signed the conventions, namely, those of the consumers, and of the working class.

The Conference had also not begun to deal with, or at most it had briefly glanced at, what M. Loucheur felt was the great problem of the present time. It had cast a rapid glance on the conditions of production in the world and in Europe in particular, but it had not gone to the heart of the problem.

In the speech which he himself had delivered before the Assembly, M. Loucheur had spoken of the system of high salaries and of the high standard of life in America. He had expected this question to be thoroughly discussed at the International Economic Conference, but it had been scarcely touched upon. Nevertheless, this was a problem which would shortly be raised; it would be necessary to develop consumption.

In order to develop such consumption as would ensure increased production as well as the suppression of unemployment, it would be necessary to develop the power of the consumer. This would lead to a study of the question of wages throughout the world. This point had been scarcely touched upon by the Conference, but the time had not yet come to discuss it in the Committee, which must be content with noting the results obtained and the progress made.

In saying to-day what, in his opinion, the Conference had not done, M. Loucheur wished that future generations might know that these problems had been examined, and that only lack of time and the extent of the work with which the Conference had been faced had made it impossible for it to cope with them in their entirety.

Having heard from M. Theunis what the Economic Conference had done, and now what it had not done, it remained to be stated why the Committee had met and what was its work and aim.

The Conference had been composed of men appointed by their Governments but without any mandate from them. For the first time since the decisions of the Conference had been published, the delegates of the Governments had come together to express the opinion of those Governments on the results of the Conference. This was the main point. M. Loucheur had noted with pleasure that a certain number of the members of the Committee who had spoken during the last two days had taken care to make this point, and had contributed either the complete adhesion of their Government or its desire to collaborate in the most active way possible to give effect to the decisions of the Conference. This was the important reason why the Committee had met to-day.

Having been entrusted with the duty of drafting the report of the Committee, M. Loucheur desired first to note that the Government delegates were unanimous in accepting the decisions of the International Economic Conference. As regards certain Governments, these declarations did not carry final and complete adherence, but they clearly showed a desire to arrive at a conclusion.

Among the speakers who had made slight reservations, the delegate of Uruguay, in particular, had pointed out that his Government had not accepted the clause referring to State intervention. Without wishing to go into the details, M. Loucheur felt he could say that he did not admit the interpretation which his colleague put upon the clause, and that, on the other hand, its proper interpretation was, in effect, in conformity with the ideas of the Uruguayan Government.

The Economic Conference had finished its work at the end of May. Three months had therefore elapsed. In a somewhat ironical speech, the Danish delegate had urged his colleagues to take action in order to obtain positive results. For once the League of Nations did not deserve the reproach of being afraid of action. Scarcely was the work of the International Economic Conference at an end when the Council, in whom the Conference had rightly put its trust—and M. Loucheur would recall the efforts of M. Theunis and of himself to obtain this confidence in the

Council—immediately took certain steps, appealed to the Economic Committee and invited it to deal at once with the important question of tariffs and, in particular, the question of the unification of Customs nomenclature. Without waiting for the meeting of the Assembly, the Council had appointed a Committee of Experts, which had worked continuously and had set on foot a complete scheme of new Customs tariffs. This responded to what was perhaps the rather French enthusiasm of the Swedish delegate, who, in his desire to proceed quickly, had already proposed the dogmatic application of the most-favoured-nation clause in all conventions. But the cart must not be put before the horse. The only way of obtaining a logical and reasonable application of the most-favoured-nation clause was first of all to establish a single Customs nomenclature which would not allow the meaning of the clause to be twisted by skilful draftsmen.

The Council took another decision at the same time. It convened for the middle of October 1927 a Diplomatic Conference for the conclusion of an international agreement for the suppression of import and export prohibitions and restrictions. M. Loucheur took this opportunity to make an appeal to all the nations represented, in order that this Conference might succeed. It was indispensable that nations should send delegates to the Conference and that they should reach a definite agreement on this question of restrictions on commerce, which, in the opinion of all those who dealt with economic problems, was one of those most calculated to hinder the re-establishment of normal relations between countries.

In two important questions the Council had realised its responsibilities and had begun to act. Had the nations done the same? When they returned home, did the delegates of the International Economic Conference succeed in making those who govern the nations share a part of their enthusiasm? Had economic policy in general begun to change? This was a very interesting point which should be considered.

M. Loucheur found it difficult to speak otherwise than as the representative of his country. He must, however, say that he had felt everywhere an occasionally exaggerated enthusiasm as regards the results which the Conference had obtained. Moreover, articles which had appeared in the press of all European countries and even on the other side of the Atlantic showed that everyone was endeavouring to come up to the decisions of the International Economic Conference and was making an effort to give effect to its recommendations. M. Loucheur had been extremely pleased, a few days ago, to hear Dr. Stresemann, Chancellor of the Reich, state at the Assembly tribune that, if the International Economic Conference had not taken place, the Franco-German treaty of commerce would not have been signed. This was an important matter, well worthy of emphasis.

This treaty of commerce could be clearly distinguished from those which had hitherto been signed. One characteristic was its duration. For the first time, it had been decided to allow for a longer period and for renewals which would assure stable commercial relations. Another characteristic was the decision of the two countries to suppress import and export restrictions as regards each other's goods.

There were also other points to be noticed. The French representatives had occasionally been told that they supported a liberal tariff policy, but put a very different one into practice. It must, however, be noted that, in the Franco-German treaty, there was an extremely important reduction in the figures of the new French tariff. These reductions had reached 75 per cent on certain articles.

Germany, on her part, had made a very great effort and had made important reductions in her general Customs tariffs. It might therefore be said that the Franco-German treaty consisted in the first application of the principles laid down at the Economic Conference and constituted the first attack on excessive protectionism.

Other clauses deserved attention. For the first time, in the Franco-German treaty there was a clause for recourse to arbitration in cases of difficulty in interpreting and applying a commercial treaty. One day, it would perhaps be necessary to raise in the Committee a question which had already been raised at the International Economic Conference by M. Loucheur. The League might very shortly be asked to consider the establishment at the Permanent Court of International Justice at The Hague of a special section to settle commercial disputes between States. The introduction into commercial treaties of the arbitration clause would necessarily involve the obligation to find means to give it practical effect, and it would be necessary for competent persons to sit as judges in these matters in addition to the judges at present at The Hague.

The Franco-German treaty also included a series of clauses referring to commercial and industrial property, to the rules of ports and the rules of ocean and river navigation, as well as concerning railways. All these clauses required a rigorous application of the principles of the Economic Conference and some of them went even further.

M. Loucheur ventured to insist on this treaty, though it concerned only two nations, not as an example but rather as a proof that, immediately after the Economic Conference, two great countries had loyally made a real attempt to reach agreement on the basis of the ideals put forward at the Economic Conference. He would repeat what Dr. Stresemann had already said, namely, that the success of the Franco-German commercial treaty was due to the work of the Economic Conference.

What remained to be done? The delegates of the countries, who now took the place of the experts, must first be asked whether they accepted the recommendations of the Economic Conference. Secondly, supposing that this were so, what practical measures did the Committee propose in order to give success to these recommendations?

At Geneva, certain steps had already been taken through the Council. This work must now be continued, and all those who had hitherto spoken on this subject had reached the same conclusion. They had all insisted on the urgent nature of the decisions which must be taken and on the idea that these recommendations must not be allowed to become a dead letter.

To attain these objects there were two lines of action : national and international. It

would be useless to take steps of an international nature at Geneva if in each individual country no preparation was made to apply these measures, and if a sufficient change did not take place in public opinion, so that, when the time came, these international measures might produce their effect.

As regards national action, M. Loucheur felt he could not do better than support the moving appeal which M. Theunis had made on the previous day when he asked the delegates, each one in his own circle, to make persistent efforts at propaganda. He earnestly hoped that this request would be renewed before the Assembly and that a great appeal would come from Geneva that the work accomplished last May should not be considered as a theoretical work, but as a practical accomplishment in which it was the duty of all nations to take part.

International action was the second part of the task. It was the more difficult part and had not yet been discussed at Geneva. M. Loucheur would venture to begin to do so, because he was convinced that, as regards the work of the International Economic Conference, agreement was unanimous, save for the reservations he had mentioned, since he noted the unanimous approval of the early efforts which had been made hitherto. He noted also the no less unanimous request that measures should be taken without delay to pursue the work of practical application.

Those who had had the good fortune to be present at the meetings of the International Economic Conference knew what lively discussions had arisen over the question under what form what had been called the Economic Organisation of the League would be able to continue the execution of the decisions of the Conference.

The first idea was to keep the Economic Committee in its present form as a basis. The Economic Committee, which consisted in principle of fifteen members, was, above all, a body of Government representatives. The idea was to add to them a certain number of representatives of industry, commerce and agriculture, and thus to form a large Committee. It might be called the new Economic Organisation of the League of Nations.

M. Loucheur ventured to make one remark at once. The Economic Committee had a part to play in the daily life of the League of Nations. It had already accomplished much and it was owing to its work, and that of the Preparatory Committee of the Conference, that the latter had obtained its success. But the Economic Committee, called upon to play a daily part in the life of the League, must not become too unwieldy. It appeared that, in its present form, it might remain a great economic bureau at the disposal of the Council. It would therefore be convenient to create by its side a new Committee, which might be called the "General Committee", though this would not be its real title. This General Committee would have to follow the practical application of the recommendations of the International Economic Conference.

How was this General Committee to be composed? Regarding this matter, the Second Committee was not entirely free to decide. The resolution which had been adopted by the Conference itself must not be forgotten. After an extremely animated discussion, it had been decided, on the proposal, slightly amended, of the Polish representative, M. Gliwic, to inform the Council that the Conference thought that, in setting up the new organisation, it would be desirable to take into account the equilibrium which had been noticed in the composition of the famous Preparatory Committee. This Committee had consisted of persons appointed by the Council and not by the Governments, and comprised representatives of industry, commerce and agriculture, of the labour world and also of the organisations existing by the side of the League of Nations.

Certain people had pointed out that in this General Committee, which might rather lengthily be called the "Temporary Advisory Committee to follow up the Execution of the Recommendations of the International Economic Conference", it would be well that the members of the Economic Committee should be admitted as *de jure* members. M. Loucheur would therefore propose a scheme for the composition of the General Committee as the basis for discussion, leaving to a small Drafting Committee the duty of harmonising the proposals.

The General Committee would first of all include the members of the present Economic Committee. It might be asked whether it would be convenient to include all the members or merely an important delegation from this Committee. This point would have to be discussed. There would then be twenty members to be appointed by the Council chosen from persons who were competent in industrial, commercial and agricultural matters and who were in touch with the great interests of capital, labour and the consumer. The important part played at the Conference by the representatives of the great co-operative societies must not be forgotten. To these thirty-five persons there might be added six members to be appointed by the International Labour Office.

Many objections had been raised on this last point. The International Labour Office had played a great part in the preparation for the Economic Conference. It possessed important documentation and included representatives appointed by the labour world. It also included an employers' section. The International Labour Office might therefore be asked to appoint six members, three from the workers' group and three from the employers' group.

It would have been preferred by some that the three members of the employers' group should be appointed by the Council, but hitherto the employers' and workers' Committees at the International Labour Office had worked together and, in order to maintain this equilibrium, it would be much more logical to ask the International Labour Office to appoint at the same time three members of the workers' group and three of the employers' group. The Committee would have to make its choice in this matter.

M. Loucheur thought, moreover, that other organisations should be asked to send representatives to the General Committee.

One of them, though not attached to the League of Nations, nevertheless possessed an official character. He referred to the International Institute of Agriculture at Rome. M. Loucheur wished to propose the inclusion of a delegate from the International Institute of Agriculture at Rome, leaving it to the Council to appoint, among the twenty members to whom he had already referred, a certain number of agriculturists.

The International Chamber of Commerce had rendered great services during the Economic Conference. It had furnished perfect documentation on various points and it would be a useful suggestion to have one of its members on the General Committee.

The delegates of the International Labour Office would be appointed by the Office itself, but it would perhaps be more effective to ask the Council to choose a member of the International Chamber of Commerce. This distinction, to which M. Loucheur did not attach very great importance, appeared to him justified by the fact that the International Chamber of Commerce was a private organisation recognised by the Governments and not officially attached to the League of Nations.

It would be useless to discuss at length the suggestions made, primarily because it was not possible to lay down too definitely the part to be played by the Council. Moreover, the Council would be able to trace the main lines of the composition of the General Committee and arrange the details in a way which would produce a reasonable organisation.

The powers of the two Committees in relation to each other would have to be defined. The General Committee should have real power. If it met solely to make recommendations and to forward them to the Economic Committee or to other existing Committees, its work would be so long that it would never reach results. The General Committee should be competent to send its decisions directly to the Council.

It might, however, arise that a decision taken in the General Committee might be opposed by the majority of the members of the Economic Committee. It might then be decided as a temporary measure that, in this single case, the advice of the Economic Committee should be taken by the Council and attached to the decision submitted by the General Committee. Any clash between the two Committees would thus be avoided.

In conclusion, M. Loucheur appealed to the Committee not to hold an academic discussion on the question of the organisation the broad lines of which he had traced. Many suggestions were still possible in this connection, but he asked for the confidence of the Committee.

His insistence, in 1925 and 1926, to obtain the calling of the Economic Conference and the adoption of its programme had not been in vain, for events had confirmed all their hopes. In the General Committee, composed according to the rapid plan which he had just indicated, he thought that the League would be provided with a sufficiently important and elastic organisation to deal properly with the different tasks which the Conference had sketched for it. This work would be difficult, because nothing could be forced upon the Governments and they could only be urged to follow the great development of economic agreement and to prepare uniform statistics—in a word, to accomplish all the work which was so well condensed in the resolutions of the International Economic Conference.

The CHAIRMAN thanked M. Loucheur for his eloquent statement, which only served to increase the Committee's gratitude towards him.

Dr. BREITSCHIED (Germany) said that M. Loucheur's speech had much impressed him. He had intended to put forward the point of view of Germany as regards the economic organisation, but he would merely state that the German delegation substantially supported the statement of M. Loucheur. His delegation, however, thought it very important that the competence of the Economic Committee should in no way be altered. Dr. Breitscheid considered that it would be useless for all the members of that Committee to be at the same time members of the proposed Advisory Committee. He also thought that the last word as regards the composition of the latter Committee should be left to the Council.

Finally, while recognising that the International Labour Office should be represented, he was doubtful whether it should appoint both the employers' and the workers' delegates. This would undoubtedly produce a lack of balance between the employers and the workers represented on the Advisory Committee. The questions which would be under discussion by this Committee were of such vital interest to the workers that it seemed that they might be more strongly represented.

Besides the representatives of the consumers and, particularly, the great co-operative societies, of which M. Loucheur had spoken, he wondered whether it was not desirable to consider the representation of other organisations—for example, the Institute for the Scientific Organisation of Labour.

In any case, the Council ought to have the last word in all these matters.

M. GLIWIC (Poland) said that the Conference could only be regarded as a first attempt to approach the extremely complicated economic situation of the world. Everybody realised that it was essential to create a special organisation which would have as its permanent aim the continuance and development of the work of the Conference. The able and highly trained economists in the Economic Section would be the nucleus of the organisation called upon to carry out the work inherited by the League from the Conference. Large funds would have to be allotted, though the figure could not even be approximately fixed, and the Secretariat would have to submit detailed figures to the Fourth Committee. These future efforts of the Secretariat must have full support and it was necessary that in the new organisation to be set up the world's economic policies should be truly reflected.

The sphere of activity of the Economic Committee was rather limited to the problems arising from the routine work of the Council. Its members were limited in number and most of them, though experienced in matters of international economic policy, were compelled to consider the problems almost exclusively from the point of view of their Governments. Though very useful for the daily work of the League, the very qualifications of this body prevented it from giving full authority to the work emanating from the Economic Conference.

The Council had wisely entrusted the preparatory work for the Conference to a special body

of highly qualified men presenting all shades of economic convictions and chosen from the ranks of employers and employees, farmers and rural workers, Government officials and economic editors, but not representing the Governments. This body had been very useful and efficient, and, under the successful leadership of M. Theunis and in close collaboration with the Economic Section of the Secretariat, it had done excellent work. It had already proved its value, and the Conference had hinted that only a body composed in the same way as the Preparatory Committee would be satisfactory for the continuance of its work.

M. Gliwic therefore supported the suggestion made by M. Loucheur, and agreed that the details should be left to the Council.

Major ELLIOT (British Empire) said that M. Loucheur had again given a good lead to the Committee. The British Government had been a little cautious when the proposal for a Conference was originally made, but M. Loucheur had proved himself right in the past, and his proposal that a further step was necessary in regard to the economic organisation of the League of Nations could therefore be the more easily accepted. He understood that the Economic Committee would remain the main Economic Organisation of the League and that its powers and competence would not be diminished.

Major Elliot would prefer the title of "Consultative Committee" for the body now suggested, because he thought it would be a pity to give the impression that two bodies were being set up which might possibly come into conflict with each other. The Consultative Committee would maintain liaison with the great world outside, and he entirely agreed that such a Committee must be set up as far as possible on the lines of the Preparatory Committee.

As regards the relationship of the Economic Committee to the new body, Major Elliot agreed that it would be better not to include in the latter the whole Economic Committee, as the Consultative Committee would thereby be made very large. M. Loucheur had suggested that that Committee should include representatives of labour, and that capital and labour should each be represented by three members. By adopting the composition of the Preparatory Committee as a basis, however, this might be avoided. There were already three representatives nominated by the International Labour Office. If it were asked to nominate three employers, there would result six representatives on the new body who would necessarily have to represent the views of their constituents. He therefore suggested that no further nominations should be made on the employers' side by the International Labour Office as it would be sufficiently strongly represented already.

As regards the relations of the Consultative Committee to the Council, M. Loucheur had urged that a body of this weight and competence should have direct access to the Council. Major Elliot agreed that its reports should go directly to the Council, but thought that the members of the Economic Committee might be consulted before action was taken on the statements of an advisory body. The reports might be submitted simultaneously to the Economic Committee and to the Council of the League, and the latter would not take action until it had consulted the former. This procedure, he felt, would not lead to delay, because the members of the Committee, before deciding to take action, would always consult their respective Governments, which would ask their representatives on the Economic Committee to pronounce on the proposals.

Major Elliot agreed that the present Committee was too large to discuss these details and that a Drafting Committee should be set up as soon as possible.

To sum up, he proposed that the Consultative Committee should be composed on the lines of the Preparatory Committee, that it should not include all the members of the Economic Committee, that its resolutions should be submitted simultaneously to the Council and to the Economic Committee, and that the Council should not be expected to take action without having the opinion of the Economic Committee, which was and must remain its main advisory body.

M. LOUCHEUR (France) noted that, if he had rightly understood, Major Elliot desired :

First, the maintenance of the Economic Committee in its present form, with its present competence and functions. Dr. Breitscheid and M. Gliwic shared this opinion;

Secondly, that the Advisory Committee should include an important delegation of the present Economic Committee and not the entire Committee;

Thirdly, that the International Labour Office should appoint three workers' representatives, but should not appoint employers' representatives;

Fourthly, that the decisions of the Advisory Committee should be forwarded directly to the Council without passing through the present Economic Committee, which would, however, be called upon to give its opinion at the request of the Council.

Major ELLIOT (British Empire) explained that it would not even be necessary for the Committee to be represented by a fixed delegation, for it would be sufficient if certain of its members were on both the Committees. He added that the resolutions of the Advisory Committee should be forwarded for the information of the Economic Committee, if the latter so requested.

M. LOUCHEUR (France) noted the slight modification proposed by Major Elliot referring to the words "delegation of the Economic Committee".

Explaining his own earlier remarks, M. Loucheur thought that a copy of the resolutions of the Advisory Committee should be sent to the Economic Committee in order that the latter might ultimately be able to give an opinion to the Council if asked for it. But M. Loucheur

would be extremely alarmed if it were decided that the Council was obliged to wait for the advice of the Economic Committee before taking a decision.

M. SUVICH (Italy) supported the proposal of M. Loucheur, which was the natural result of the new situation created by the Economic Conference.

New methods must be adopted to meet a new situation. There were two sides to the question. In the first place, there were the Governments, which might apply in their own sphere the decisions of the Economic Conference. Almost all the delegates present had given the assurance that their country would put into practice the decisions of the Conference.

On the other hand, it was necessary to consider the practical collective application of the results of the Economic Conference. It would be the duty of the Council, with the assistance of its technical organisations, to take decisions in this matter. Among the technical organisations, the Economic Committee would naturally take first place. No change should be made in the Economic Committee.

For the reasons already given, M. Suvich would add that the Economic Committee consisted of extremely competent persons, who generally took part in the conclusion of treaties of commerce. These persons had succeeded in creating, in the Economic Committee, an atmosphere of confidence and mutual understanding which considerably facilitated the conclusion of commercial treaties.

The Economic Committee had been entrusted by the Council with a certain number of questions, and the study of some of these was already quite advanced. Would it not be wise for the Council to have another body by the side of the Economic Committee, to which was entrusted the special task of following up the application of the principles laid down by the Economic Conference, informing the Council as to the application of these principles, and making such suggestions as appeared necessary? Consequently, M. Suvich preferred that this body should not be called a General or Central Committee, but rather an "Advisory Committee to give effect to the deliberations of the Economic Conference".

As regards the composition of this Committee, it would be the duty of the Drafting Committee to give final form to the proposals.

Among the questions on which the Committee would have to give its decision was that of the method of representation of the Economic Committee on the Advisory Committee. In this connection, M. Suvich thought that, for clear practical reasons, it was necessary that the Advisory Committee should be rather limited. Moreover, account would have to be taken of the fact that numerous interests would be represented on the Committee, *i.e.*, industrial, agricultural, commercial, workers' and other interests. It would perhaps be useful for the Advisory Committee not to include too large a number of the members of the Economic Committee. It might even be decided that the members of the Economic Committee should not form part of the Advisory Committee but should merely be called upon to follow its work. The Economic Committee depended on the Governments and on the League and it would therefore be always at the disposal of the Advisory Committee.

As regards the appointment of members by the International Labour Office, he thought that the arguments put forward by the British delegate were extremely important and that it might perhaps be dangerous to allow the International Labour Office to appoint employers' representatives by the side of those of the workers.

M. Suvich concluded by remarking that, if the Advisory Committee were restricted both as regards the number of its members and as regards the work which it would have to do, this Committee would be an extremely valuable help to the Council.

M. JOUHAUX (France) agreed with what had been said by M. Loucheur and confirmed by subsequent speakers.

At the present stage of the work it was not necessary to wander into generalities, but the really practical side of the work should be begun.

Tribute had been paid to the work of the Economic Conference, and to those who had taken part in it. In his opinion, the essential reason why the Economic Conference had succeeded in the task that had been assigned to it was that it was not academic but consisted of men who were not only competent in theory but also in practice. They were men who understood all the details of the matters they had to discuss and who knew both what had already been done and the hopes which were placed in them. It was this combined knowledge which had enabled the Conference to succeed. This example should point out the lines to be followed in the general determination of the framework of the new proposed organisation. No longer did anyone dispute the need for this organisation, but its composition was still a matter of argument.

M. Jouhaux wished to point out two facts—first, the proposed Committee would only be of practical value to the extent that it was representative of the different interests and could trace out the path towards solving the problems. Secondly, the Economic Committee of the League of Nations was an extremely important organisation, which had accomplished considerable work and deserved all praise, but, as had been said, it consisted of direct Government representatives, who had definite instructions from which they could not depart. It was perhaps this body which had established the unity of the League of Nations, but it was altogether too united to work well in the field where the Advisory Committee would have to work.

M. Jouhaux referred to the example of the Temporary Mixed Commission, which had worked for five years and on which he had sat. He recalled the clashes, the disagreements and the impossibilities which had occurred at certain times, owing to the fact that the powers of this Committee and those of the Permanent Advisory Commission had not been defined. For his part, M. Jouhaux hoped that these difficulties would not recur for the Advisory Committee, for they would cause its downfall.

M. Jouhaux did not think that the Economic Committee of the League of Nations should

disappear. It was a constitutional body, and its task was well defined. The Economic Conference had brought it a new task, and the Advisory Committee would bring it others. Therefore it should maintain its independence in its relations with the Advisory Committee, and remain in its present form.

M. Jouhaux could quite understand that the General Committee should ask the Economic Committee to supply information on certain questions. For this reason, he could not admit that it should be included as a whole in the General Committee and partake of its responsibilities. This would be a contradiction the consequences of which might perhaps seriously endanger the unity of the League of Nations.

An independent body would therefore have to be set up, for independence alone would make it possible to tackle certain problems in the necessary spirit of conciliation. This Committee would therefore have to be constituted so as to be representative not only of theoretic ability but also of practical competence. At the same time, its members would have to be men of a certain responsibility, for its decisions would only be applicable to the extent that they were desired by those who had to put them into force.

M. Jouhaux wondered whether the Council ought to appoint the members of the new Committee from names suggested by itself or from outside suggestions. In his opinion, names should be suggested to the Council, so that the members should really be representative. The Council would nevertheless retain its right to take the decision.

Apart from the different bodies already mentioned as having to appoint delegates on the new Committee, the speaker emphasised that there were semi-official organisations of great importance and official organisations still more important in the eyes of the League, as they had arisen out of the Treaty of Peace. These also would have to be represented.

Finally, the new Committee should refer to the Economic Committee as regards certain technical and other enquiries. It would also be essential that it should turn to the other technical organisation of the League in these matters, the International Labour Office, and should ask it to undertake certain investigations or give certain information.

Consequently, M. Jouhaux had been struck by the fact that, during the discussion, it had been proposed that the International Labour Office should be allowed the right to appoint workers' delegates but not employers' delegates. He did not see why the appointment of the employers' delegates by the International Labour Office would mean that the questions to be examined by the future Committee would be deflected into other fields than their own. However, he thought that it was dangerous to run the risk of setting up a new employers' group in opposition to an employers' group already in existence.

Referring to the proposal of Dr. Breitscheid, M. Jouhaux thought that the Institute for the Scientific Organisation of Labour would have a part to play in the great questions dealt with by the new Committee. This was a technical organisation which might fruitfully be consulted in certain cases, and it would perhaps be well for it to be represented on the new Committee.

In order to meet the duties that would be assigned to it, the new Committee must not fail to include competence and responsibility. Suggestions should therefore be made to the Council so that the nominations would properly represent the whole of the interests involved and so that the new Committee might be for the Council a body to furnish suggestions when circumstances required.

M. NECULCEA (Roumania) considered the plan proposed by M. Loucheur as very nearly perfect and gave it his full adherence. The most delicate point was how to choose the elements which would go to make up the new Committee. The Economic Committee owed its great success not only to its composition but to its excellent system of work and to the close co-operation of the members of the Committee themselves with specialised experts.

Another fortunate innovation had been the establishment of temporary mixed committees within the Economic Committee, as was at present proposed for the Advisory Committee. A request had been made to the already existing international organisations, the International Labour Office and the International Statistical Bureau, etc., which already possessed the competence and the documentation which enabled them to furnish the Committee with useful information. M. Neculcea hoped that a similar system of work would be adopted by the new Committee when it began to examine the infinitely more complex problems which it would have to solve.

M. KETO (Finland) expressed his general approval of the plan described by M. Loucheur. He supported, however, the remarks of Dr. Breitscheid and other speakers regarding the composition of the Advisory Committee, and agreed with them that it would be necessary both to increase the number of workers' representatives and to mention the International Co-operative Alliance among the organisations to be directly represented on the Advisory Committee. Without the representation of the general interests of the consumers, the composition of this Committee appeared to him too limited. It was only right that the co-operative efforts of farmers and consumers, which represented the economic organisation of the mass of town and country workers, and which was daily gaining in force, should have the same right to direct representation in the Advisory Committee as, for example, the International Chamber of Commerce and other organisations whose right of representation he did not dispute.

M. VENNERSTEN (Sweden) said that he agreed with the British delegation. He asked the Committee, however, not to take any decision at this meeting as regards the workers' representation, as he wished to think over the observations made by M. Jouhaux.

He had understood, however, that what might be called the everyday work would be entrusted to the Economic Committee.

M. Vennersten wondered whether it would not be desirable that the proposed organisation

should be of a provisional character, so that it might be possible to alter it later as experience dictated.

Mr. LEY (Australia) regretted that the discussion had centred round the representation of capital and labour in the Advisory Committee. The duty of this Committee would be to advise the various Governments how best to carry out the recommendations of the Economic Conference. All were agreed that these decisions were ideals to be striven after, and M. Loucheur had wisely proposed that there should be a Committee, not to drive the nations, but to lead them gently by the shortest possible route to those ideals. Mr. Ley emphasised that their object was to break down the barriers between nations, and that it was a very different problem from that of capital and labour. No country would agree to allow a body of foreign capital and labour representatives to decide what was to happen within its territories. The Advisory Committee could only bring before the Governments the advantages which would result from the adoption of the policy laid down. It would be for those Governments and not for the League of Nations to call together representatives of capital and labour, to discuss the application of the proposals of the Economic Conference, and to see how they might affect the various interests in those countries. He urged the Committee to allow the Council a free hand in choosing the members of the Advisory Committee.

M. LOUCHEUR (France) recalled that the Economic Conference had asked the Council to establish a new Economic Organisation and had expressed a desire that this should be established on the same principles and more or less in the same proportions as had been the case with the Preparatory Committee.

The Preparatory Committee had asked the International Labour Office to appoint a certain number of workers' representatives. In this M. Loucheur followed it step by step. The part played by the labour element was particularly important in all economic work. There was no question of laying down laws for labour in Australia or in any other country, but it was desired to take account of the essential factor which labour represented in economic life.

M. Loucheur was perfectly ready to allow the Council the greatest freedom of choice, but he thought that it would be glad to have some guidance in its task, particularly by being reminded of the rules according to which the Preparatory Committee of the Economic Conference had been set up.

M. NAGAI (Japan) was in general agreement with M. Loucheur and proposed that the whole question should be referred to the Drafting Committee.

He did not share the feelings of M. Loucheur as regards the appointment of a representative of the International Chamber of Commerce by the Council. It would be preferable to allow the Chamber of Commerce the satisfaction of choosing its own representative, who would probably be its President or Vice-President.

M. THEUNIS (President of the Economic Conference) thanked the members of the Committee for their words of appreciation. He wished to transfer the praise to the members of the Economic Conference, and to the Economic Section of the Secretariat of the League of Nations, which had given him such valuable help.

He was glad to note that the majority of the speakers had adhered to the recommendations of the Economic Conference.

He also noted with pleasure the interest which the members of the Committee had shown in the establishment of a new body for the purpose of carrying out the work of the Conference. In this, the Committee showed that it realised that the work of the Conference was only a beginning. It was no use merely establishing a gospel it must be preached, accepted and put into practice.

In conclusion, M. Theunis was glad to note that agreement was about to be reached as to the composition of the future Committee. Its proposed form appeared to him desirable because it came very close to the idea which had prevailed at the Economic Conference. Quite lively debates had taken place in the latter. Some had wished to dictate to the Council what would be the future composition of the new organisation, but others had more wisely decided to leave the matter entirely to the Council. Some had wished to make the least possible changes in the existing organisation and others had wished to establish a very important new Committee. After an exchange of opinion, agreement had been reached on the last-mentioned plan. The Council would remain judge of the question and the Conference merely reminded it that the structure of the Preparatory Committee had given good results. As President of the Economic Conference, M. Theunis was glad to see that the members of the Second Committee also desired that the composition of the new Committee should resemble as closely as possible the structure of the Preparatory Committee.

M. LOUCHEUR (France) summarised the conditions under which the Drafting Committee would proceed to draw up a text for submission to the Second Committee.

He noted that agreement had been reached, first, that the Economic Committee should be maintained, with its present composition and competence; secondly, that the Advisory Committee should include a certain number of the members of the Economic Committee or a delegation from it; thirdly, as to the system of nomination of the workers' delegates by the International Labour Office; but there was disagreement on the question whether the International Labour Office should also be asked to appoint three employers' delegates. Being struck by the arguments advanced by M. Jouhaux, M. Loucheur wondered if a refusal to allow a certain number of employers to be delegated by the employers' organisation of the International Labour Office would not put that organisation in a position inferior to that of the corresponding workers' organisation. This was a point which called for consideration and which would be examined by the Drafting Committee.

It was also agreed that the Drafting Committee should be instructed to define the relations

between the Advisory Committee and the Council and to fix the number of the workers' delegates. It would also propose to the Committee the most suitable measures in order to accelerate the progress of the work of the Advisory Committee—which would be a temporary body—and in order to allow it to act without loss of time.

The CHAIRMAN proposed that the Drafting Committee should be constituted in the following manner : M. ANDERSEN (Denmark); M. LÖFGREN (Sweden); M. SUVICH (Italy); Major ELLIOT (British Empire); Dr. BREITSCHIED (Germany); M. GLIWIC (Poland); M. QUESADA (Chile); M. LOUCHEUR (France); M. NAGAI (Japan); and Sir Ramaswami AYYAR (India).

The Committee adopted this proposal.

ELEVENTH MEETING

Held on Tuesday, September 20th, 1927, at 3 p.m.

In the Chair : M. VEVERKA (Czechoslovakia), Vice-Chairman.

29. Work of the Conference for the Creation of an International Relief Union.

The CHAIRMAN regretted that Senator Ciraolo, who had initiated this work, was not present, and, after extending a welcome to M. Külz, who presided over the Conference, called upon Baron de Vest, the Rapporteur, to speak.

Baron DE VEST (Hungary) read his draft report (Annex 9).

M. KÜLZ (President of the Conference for the Creation of an International Relief Union) reminded the Committee that, according to Articles 23 and 25 of the Covenant, it was the duty of the League of Nations to encourage in all parts of the world any organisations which sought to mitigate the sufferings of mankind. It was the League's business to stimulate international relief and prepare international laws on the subject. Senator Ciraolo had first given clear expression to these ideas at the meeting of the Council on September 1st, 1922, and later at the League Assemblies of 1923, 1924 and 1925.

It was for the League to point the way towards the reconciliation of peoples, and nothing could better conduce to that end than the relief of suffering. The League had only fulfilled one of its primary duties by convening the Conference for the International Relief Union. Senator Ciraolo's scheme had been referred to a Preparatory Committee for the framing of concrete proposals, which were submitted to the Assembly, in September 1926, by the Second Committee. No objection had been raised to these fundamental ideas, but other very definite suggestions had been made which caused the matter to be referred back to the Preparatory Committee.

The revised draft was communicated in January 1926 to all the Governments, which proposed further modifications. After a fresh revision, the International Conference for the Creation of an International Relief Union met at Geneva from July 4th to 12th, 1927. The Conference was attended by representatives of forty-three States, by delegates of the International Red Cross Committee and delegates of the League of Red Cross Societies. The Preparatory Committee's draft had formed the basis of the discussions. It need not surprise the Committee that certain doubts had been expressed at the beginning of the Conference, for the worth of a noble idea might often be measured by the doubts which it inspired.

The successful conclusion of the Convention and the drafting of the statutes of the International Relief Union were due to the conscientious work of the Conference, the Committee of Amendments presided over by M. Cavazzoni and the Drafting Committee under Senator François.

A very responsible part had been entrusted to the Red Cross Organisations, owing to their pre-eminence in all work calling for unselfish effort. M. Külz hoped that the International Red Cross would soon have a uniform organisation.

The Assembly was now called upon to consider the final results of the work, and it would find in the text distributed all the necessary details regarding the constitution, aims and working of the Union. Experience would suggest the best methods of making the system still more effective. The most important requirement was that the greatest possible number of States should become members of the Union, and that its statutes should everywhere find expression in acts of mercy. Now, when relations between peoples were becoming closer and closer, it was also necessary to reinforce the feeling of human solidarity, and the International Relief Union would have to work to that end.

M. CAVAZZONI (Italy) thanked M. Külz.

It need only be said that the Convention of July 12th, 1927, was in every respect in accordance with the humanitarian and social programme of the League, and particularly with Articles 23 and 25 of the Covenant. It allowed of a collective effort being made to help a nation overtaken by disaster, just at the time when it was most difficult for it to provide for its own relief. Immediate aid resulting in the preservation of as many human lives as possible was the central idea of the Convention, which filled a gap in international law. It was an instrument for disciplining, co-ordinating and controlling international philanthropy. It was the first attempt

that had ever been made in this direction. Without draining the sources of private charity, the Convention sought to establish an organisation which, supported by the moral prestige of the League of Nations and the Red Cross, could centralise relief and furnish it where it was required as speedily as possible. In the Middle Ages, this function had been discharged by the Church. In modern times, States had regulated private initiative, but no international rules had so far been laid down. The present Convention made good that omission.

The speaker hoped that Governments which had not yet signed the Convention would examine it and consider the urgent reasons why they should support the organisation. He also recommended approval for the Council's proposal that the Committee of Enquiry should continue in being, so that it might study the practical measures to facilitate the creation of the Union.

In conclusion, he declared that this work was the first really important step taken by the League of Nations in this sphere. It was essential that the League should continue to concern itself with the Union and prepare the rules for its constitution, until the Red Cross Societies, in co-operation with the big relief organisations in all countries, were in a position to carry on the work.

Count VAN LINDEN VAN SANDENBURG (Netherlands) associated himself with the congratulations offered to Senator Ciraolo and M. Külz.

With regard to the second paragraph of the draft resolution, calling on Governments to co-operate definitely in the work of international solidarity, he repeated the reservations made by the Netherlands delegate at the Conference. The latter had reserved his adhesion because he thought that the constitution of a new organisation would duplicate the work of an older body which had already proved its worth. This reservation, however, did not imply any objection to the paragraph in question.

M. IMHOFF (Germany) said that the German Government had from the outset taken a keen interest in the creation of the Union. He thought that, thanks to that institution, great progress could be made in the work of international mutual assistance.

He noted with satisfaction the success of the Conference for the foundation of the Union, which should mark the first stage in the realisation of Senator Ciraolo's noble ideas.

Germany had signed the agreement of July 12th, 1927, without reservations, and approved the draft resolution proposed by the Rapporteur.

M. BASTID (France) said that his country had been glad to take part in the Conference which had met to put into effect Senator Ciraolo's generous proposal. France had not yet signed the Convention, but she would do so at an early date.

The draft report and resolution were adopted.

Baron DE VEST (Hungary) was appointed Rapporteur to the Assembly.

30. Work of the Financial Committee.

M. DJOURITCH (Kingdom of the Serbs, Croats and Slovenes) submitted his draft report (Annex 10).

General LAIDONER (Estonia) paid a tribute to the work of the Financial Committee and described the progress made in the work of banking and currency reform in Estonia, which was the result of that Committee's recommendations. The issue of the reconstruction loan had been a great success, the amount subscribed being ten times the nominal capital requested.

The statutes of the Mortgage Institute, created on the recommendation of the Financial Committee, had been submitted to the Estonian Parliament, which would very probably approve them in November 1927. The yield of the loan had now been placed at the disposal of the Estonian Government and of the League of Nations Trustee, but it would not be paid into the Bank of Estonia until the Bank's long-term credits had been transferred to the Mortgage Institute. Nevertheless, the balance between the paper circulation and the cover in gold and foreign securities was improving daily; in 1925, the issue was covered up to 34 per cent, but, in 1927, the cover already amounted to about 42 per cent for the first seven months alone.

The speaker thanked the Financial Committee for its intervention and recalled with gratitude the support which Estonia had received from the members of the Financial Sub-Committee. He also thanked M. Pospisil, last year's Chairman of the Financial Committee, who had concerned himself very particularly with the raising of the loan.

M. DI PAULI (Austria) congratulated the Rapporteur and took note with great satisfaction of the passage in the report which said that the stabilisation of the Austrian crown might be regarded as a classical example. Austria was exceedingly glad to have contributed towards the success of the first experiment made by the League in this direction.

The stabilisation of the Austrian currency had stood the test. In spite of events, sometimes very serious, which doubtless would have formerly upset the stability of its currency, the Austrian schilling had not fluctuated a single point.

The Austrian budget was perfectly balanced, receipts were appreciably in excess of estimates, and savings-bank deposits—now standing at 900 million schillings—were increasing. Unemployment was diminishing, and the number of unemployed was to-day 10,000 less than that at the same date the previous year.

The Austrian delegate attached great importance to the work done in suppressing counterfeit currency, work which was important economically and politically. The disorganisation of the money market by its inflation with false notes had been an important point on the programme of the extremist party which was opposed to social order.

The scheme for the financial assistance of States which were victims of aggression was also of interest to Austria; that scheme was still under consideration by the Austrian Ministry of Finance.

He pointed out that the Financial Committee, which had originally been confronted with problems for which it was difficult to find a solution, was now among those organs of the League of Nations which commanded the highest authority.

Sir Edward Hilton YOUNG (British Empire) joined in the expression of thanks to the Rapporteur and the Financial Committee, and said that profound gratitude was due to those great experts who had worked year by year, giving their advice and counsel gratuitously. If the services of those gentlemen were remunerated at the market rate, it would, he calculated, have cost the League at least half-a-million francs a year. What a bad prospect it would be for the budget of the League if it had to remunerate all its experts at the market rate!

He joined with the delegate of Austria in congratulating the Financial Committee upon the continued progress of financial reconstruction in Austria. The greatest tribute to be paid to the work of the Financial Committee was that each individual case warranted words of congratulation; for example, there was the remarkable success achieved in the flotation of the loan for the City of Danzig, the difficult matter of double taxation, and the problem of counterfeit currency.

He agreed with the observations made by the delegate of Estonia with regard to the remarkable success which had been achieved in the solution, in that country, of what was one of the most difficult financial problems that had yet been presented to the Council of the League. In the case of Estonia, the whole problem, which had been a most formidable and baffling one, had been that of straightening out what he might call, using a popular phrase, a banking tangle. He thought that the Committee might truly congratulate the authors of the Estonian scheme on the most carefully conceived solution which had been prepared, and also the Estonian Government on the high resolution with which they had taken the steps necessary to put that scheme into practice. He wished success to the new Estonian Bank and its adviser, Sir Walter Williamson, who had been appointed to that position by the Council. He expressed appreciation of the ability with which the financial advisers had adapted the means at their disposal to the assistance of a particular case without insisting upon any barren formula. It was interesting to note that, while the problems presented in Estonia had many similarities to those presented in other countries which had sought the advice of the Financial Committee, the means employed in this new case to meet and solve the problem had been adapted exactly to fit in with the special circumstances.

It must not be assumed, for instance, that all problems of reconstruction were similar to those covered by the first case which had come before the League, that of Austria, or that the methods of solution could invariably be the same as had been adopted in that particular instance. That was very far from being correct, and to the student of finance as well as to the student of the means which the League possessed for promoting the cause of reconstruction, it was of the very greatest interest to note not merely the similarities but also the differences both in the problems presented and in the means so successfully employed to deal with them by the League under the advice of its Financial Committee.

Sir FAZL-I-HUSSAIN (India) said that most of those who had taken part in the debate were representatives of countries that had directly benefited from the activities of the Financial Committee, and therefore naturally found it necessary to pay their tribute of admiration and appreciation to those who had helped them in a difficult position. Some of the countries which were more remote from the scene of the Committee's activities, however, especially in Asia, were inclined to criticise the League on account of the narrowness of its activities. This, he ventured to think, was mainly due to lack of knowledge on the part of those critics. When the League had been inaugurated, certain critics had said that it was an institution of talkers, not of workers. The activities of the Financial Committee had proved the contrary, and when people in India realised what the League had done for such countries as Bulgaria, Austria, Estonia, Greece, Hungary, the Free City of Danzig, and so on, he had no doubt that the suspicions or conjectures as to the inactivity of the League would pass away.

He was glad to note that the Financial Committee had insisted on obtaining the best possible securities whenever it had given help and placed the credit and prestige of the League behind a country. This was essential in order to preserve the prestige of the League.

He felt sure that all the Governments would give their best consideration to the work of the Financial Committee on double taxation and tax evasion, as well as to its work in relation to counterfeit currency. He hoped that the Special Committee which had been entrusted with that matter would soon bring its work to fruition.

M. WORM-MÜLLER (Norway) said that his Government had followed with great attention the development of the question of double taxation. Being a shipping country, Norway was keenly interested in the draft Convention for the avoidance of double taxation. In its legislation on taxation, Norway had established principles, and had concluded agreements with Great Britain, the United States and other Powers. He was very glad that the Financial Committee had advanced the subject so far that the Council had decided to convene a Conference next year to discuss this important question.

The draft report and resolution were adopted.

M. DJOURITCH (Kingdom of the Serbs, Croats and Slovenes) was appointed Rapporteur to the Assembly for this subject.

TWELFTH MEETING

Held on Wednesday, September 21st, 1927, at 10 a.m.

In the Chair : M. NEVERKA (Czechoslovakia), Vice-Chairman.

31. Work of the International Economic Conference (Continuation).

M. LOUCHEUR (France) announced that the Drafting Committee, after two long meetings, had prepared two draft resolutions, which he submitted with slight textual amendments. The final text was as follows :

"I. INTERNATIONAL ECONOMIC CONFERENCE.

"The Assembly

"Takes note of the report of the Economic Conference held in May last, in accordance with the initiative taken by the Assembly at its sixth ordinary session;

"Congratulates sincerely the President and the members of the Conference appointed by the Governments of fifty countries upon the fact that, comprising so many qualifications and representing every variety of responsible opinion, they were able to agree unanimously upon recommendations at once definite in character and wide in range, the adoption of which should effect a substantial improvement in the present economic policies of the world;

"Notes with satisfaction that many Governments have already made declarations accepting the principles laid down by the Conference and stating their intention of co-operating in their application, while no declaration in the contrary sense has been made;

"Believes, therefore, that there is every reason to count upon universal approval when the public opinion of all countries has been sufficiently instructed;

"Recommends the resolutions of the Conference, as the Council did in June 1927, to the favourable consideration of all Governments, and trusts that those Governments which have not yet promised their support will shortly be able to do so;

"Invites the Economic Organisation of the League of Nations to prepare, as soon as possible, a summary of the replies of the various Governments as to their attitude to the recommendations of the International Economic Conference, and to make known the action that the various Governments have taken or may take in pursuance of the recommendations of the Economic Conference;

"Trusts that the economic policy of all countries may develop in accordance with the principles laid down by the Conference and desires that the Economic Organisation of the League should take these recommendations as the basis of its work;

"Trusts, in particular, that the recommendations of the Conference relating to tariffs and commercial policy will be put into effect not only by national action and bilateral agreements but also, whenever practicable, by collective conventions reached by means of international conferences of accredited representatives, with the aim of gradually evolving among the trading nations of the world, and particularly among those of Europe, common lines of policy beneficial to all and not subject to the uncertainties of purely bilateral bargaining. Careful attention should, however, be given to the special conditions existing at any moment and to the necessity of realising this policy by stages and without undue disturbance;

"Expects the Council of the League of Nations and the Economic Organisation to devote their untiring efforts to the realisation of this urgent task and hopes that the Governments will give to it their cordial support and active collaboration.

"II. ECONOMIC ORGANISATION OF THE LEAGUE OF NATIONS.

"Whereas, in addition to the economic tasks hitherto undertaken by the League, a vast and important body of work will result from the recommendations of the Economic Conference; and

"Whereas it is essential that the different interests and organisations which collaborated in the preparation of the Conference should continue to give their support and advice in the work of securing effect to its recommendations; and

"Whereas the Conference took the following resolution :

"The Conference wishes in the first instance to express its high appreciation of the work of the Economic Committee and the Secretariat of the League.

"The Conference is of opinion that the success of its work will depend upon the execution of the principles laid down.

"With regard to the action to be taken on its recommendations, the Conference, while offering no suggestion as to a permanent organisation, cannot do better than draw the Council's attention to the well-balanced composition of the Preparatory Committee, which has yielded excellent results in the preparatory work of the Conference';

"The Assembly considers :

"(a) That the Economic Committee should continue to be, as at present, the organ through which the Council deals with economic affairs and that it should be constituted—under such rules as the Council may consider appropriate for its effective functioning—so as to be best suited for its principal work, which, in the near future at least, will lie within the sphere of the economic relations between States and their economic policies so far as they have international aspects; it should consist of not more than fifteen members;

"(b) That the Economic Committee should have the power to appoint temporary Sub-Committees of experts for preparatory work and, subject to the Council's approval and in consultation with the States in question, to name economic correspondents in countries which have no member on the Committee;

"(c) That a 'Consultative Committee', the object of which is to follow the application of the recommendations of the Economic Conference, should be constituted by the Council.

"It might be composed of about thirty-five members, as was the Preparatory Committee, and the conditions of equilibrium attained in the latter between the various elements should be maintained as far as possible.

"It should therefore include, among others, persons competent in industry, commerce, agriculture, finance, transport, labour questions, and questions relative to consumption.

"The International Labour Office should be invited to submit the names of three labour members for this Committee.

"The Council will doubtless wish also to secure for the Committee the co-operation of the International Institute of Agriculture and of the International Chamber of Commerce.

"Five members chosen by the Economic Committee should take part in the work of the Consultative Committee with the same rights as the other members.

"The Consultative Committee should submit its report directly to the Council of the League of Nations. At the same time, it would forward a copy to the Economic Committee and to the other technical organisations concerned."

M. DI PAULI (Austria) asked how many of the three members to be chosen by the International Labour Office would represent agricultural workers.

M. LOUCHEUR (France) replied that, according to the draft resolution, the Committee would include "persons competent in . . . labour questions". That allowed the Council to appoint workers directly. The Council would certainly pay special attention to this question.

M. DI PAULI (Austria) said that, as the representative of a country both agricultural and industrial, he would like to draw the Committee's attention to the great importance of enabling the agricultural population to be represented as strongly as possible on the Consultative Committee. He added that the agricultural population formed the most important class in several countries Members of the League. In the words of the Rapporteur on the Economic Conference, it was "the reservoir of energy against the results of excessive industrial development". Upon the development of agriculture and the prosperity of the peasant population would depend, to a large extent, the partial solution at any rate of social and economic problems like unemployment, etc.

At the Economic Conference, agriculture had for the first time been represented side by side with industry and commerce in such a way as to contribute to the general study of the economic situation of the world. It was important—and this was stated in the report—that public opinion should be instructed regarding the real situation of agriculture, which should be placed on a footing of equality with industry. Apart from the six general resolutions regarding the improvement of agricultural life, the Economic Conference had drawn the attention of the League to a number of points of great importance for the development of agriculture and especially of small and medium-sized holdings : viz., agricultural co-operation, agricultural credit, the possibility of international co-operation in regard to agricultural credit and forestry. If there was one economic class which, in the international sphere, did not yet possess the means of asserting its claims and making its needs felt, and which could not be sure of obtaining a hearing at assemblies in which industry, commerce and industrial workers, with their strong organisations, were asked to voice their demands, it was the peasant class.

M. Di Pauli therefore proposed the following amendment to be added to the resolution submitted in regard to the Economic Organisation :

"The Council will doubtless desire to assure to peasant interests a representation at least equal to that of the working class."

M. LOUCHEUR (France) said that he had always stood up for a normal representation of agricultural interests, as being of great importance. At the same time, he begged M. Di Pauli not to insist upon his proposal. The choice of agricultural workers' organisations would lead, in practice, to grave difficulties. It would be sufficient, he thought, to emphasise in his report the importance of a fair representation of agricultural interests.

M. JOUHAUX (France) paid a tribute to the spirit of conciliation shown by the authors of the draft. He was, however, somewhat apprehensive. When the Economic Conference had referred the question to the Assembly, the problem had been the establishment of a new organisation

for the performance of new duties, and not for the strengthening of an old organisation. The point was to seek a practical solution for real and pressing problems, and not to back up an administrative ease which was only too often contradicted by the facts of life.

The draft resolution entrusted the whole work to the Economic Committee, the qualifications and competence of which it recognised. He criticised the following sentence in the draft resolutions :

“That the Economic Committee should continue to be, as at present, the organ through which the Council deals with economic affairs.”

Why adopt a defensive attitude when referring to an organisation that did not yet exist and that was intended to work in conjunction with the Economic Committee?

What would be the duties of the Consultative Committee if the reorganised Economic Committee was really to deal with the international aspects of governmental policy? It was for that very purpose that it had been proposed to create a new and independent organisation capable of taking the initiative. He did not think that the Economic Committee had the desired degree of independence.

Serious dangers might arise if a clear distinction were not made, confirming the duties of yesterday and the establishment of a new organisation for the fulfilment of the duties of to-day.

Mr. MACWHITE (Irish Free State) said he had heard the Austrian delegate's proposal with interest and felt that it could not be ignored. In the past, the interests of agriculture had frequently been neglected, and there was therefore every reason to pay attention to them in the future. In the new organisation, the interests of agriculture, and particularly the interests of small-holders, ought to be equitably represented. He hoped that the delegates of countries in which agriculture was an essential factor in the national economic life would not have occasion later to complain of whatever decisions were taken.

Sir Ramaswami AYYAR (India) said he had no intention of moving a special amendment. As a member of the Drafting Committee, he had seen for himself the inner workings which had found concrete expression in the draft resolutions submitted to the Committee, and he quite realised the difficulties pointed out by M. Loucheur.

He would like, however, to explain one or two essential points. As M. Loucheur had observed, it ought to be emphatically stated in the report that the Committee regarded it as of the highest importance that agricultural interests should be adequately represented. In using that expression, however, he was not forgetting the complications due to the existence of the small-holder, the great landowner, the agricultural labourer, and those organisations which might be regarded as on the border-line between industry and agriculture. At the same time, he was speaking on behalf of a country where nearly one-third of the population—about one hundred millions—was engaged in agriculture in one form or another, mostly as agricultural labourers or very small holders, and where agricultural labour was still very little organised, whereas the industries of that country were being slowly and gradually organised in trade unions. If agricultural interests were to be represented, care must be taken to express their views, though perhaps without giving a specific mandate to any one organisation. The representation of Indian interests must be such that its aspirations were assured of adequate expression before the new body which was to be established. He would not for the moment consider whether that aim should be attained by representation on the Economic Committee or by more adequate representation on the Consultative Committee, but he thought that these great interests had to be represented in one form or another, and that reference should be made to that point in the report.

M. DJOURITCH (Kingdom of the Serbs, Croats and Slovenes) thought that the importance of the Economic Organisation of the League was greatly enhanced by the new duties that were being entrusted to it.

In the new organisation, account would have to be taken of the qualifications of its members, and it would always have to be supplied with full information on the problems with which it had to deal. Both these principles had been followed in the text of the resolution, in which it was stated that the Committee :

“should be constituted—under such rules as the Council may consider appropriate for its effective functioning—so as to be best suited for its principal work . . .”.

He was quite satisfied with this. He imagined that the Council would bear in mind the ideas expressed by the French delegate in regard to the organisation and composition of the Committee.

He was glad to note the importance attached in the resolution to agriculture, which was the primary factor in the economic life of the world. He shared the hopes of the Irish and Indian delegates, and was convinced that agricultural interests would be adequately represented. In this connection, the two resolutions submitted to the Committee were reassuring.

M. JANSON (Belgium) observed that somewhat inelegant expressions sometimes found their way into League documents. In one of the resolutions dealing with the work of the Conference there was the expression “*haute appréciation*”. He proposed that the last word should be replaced by “*approbation*”.

He supported the amendment proposed by M. Loucheur with the object of accentuating the character of the recommendation on the subject of the International Labour Office. While he appreciated the difficulties encountered by the Drafting Committee, he did not understand why the International Labour Office was only asked to nominate three labour members. He would prefer—and several of his colleagues concurred—that the Labour Office should make a more general appointment.

Dr. BREITSCHIED (Germany) agreed with M. Jouhaux that the present plan was not sufficiently new in character. The Committee's freedom of action had, however, been limited, first by the resolution of the Economic Conference and secondly by lack of time.

He shared M. Jouhaux's regret that it could be thought that the Economic Committee would have a preponderating influence. True, the Committee consisted of Government representatives, who were forced to maintain a certain reserve. At the same time, the work had to be carried on in co-operation with the Governments and the existence of the Consultative Committee should be enough to stimulate the Economic Committee.

As every profession would be represented on the Consultative Committee, every point of view could profitably be expressed there.

The German delegation recognised that agricultural interests ought to be adequately represented, but the Preparatory Committee and the International Labour Office had frequently considered that question. It would suffice to emphasise in the report the importance of agricultural representation to protect the interests of the rural population.

M. DI PAULI (Austria) was glad to observe that the Committee was unanimous in appreciating the importance of adequate representation for agriculture in the Consultative Committee. He thanked M. Loucheur for his assurances.

His only reply to M. Loucheur would be that, if his proposal had been accepted, agricultural unions could have been invited to nominate candidates, whose names would then have been sent to the Rome Institute of Agriculture, which would have submitted them to the Council.

M. LOUCHEUR (France) promised to draw the Council's attention in his report to the necessity of granting fair representation to agricultural interests. In any case, the question of the Rome International Institute and the question of agricultural representation were entirely distinct.

With regard to the nomination of employers' delegates by the International Labour Office, the Drafting Committee could only have proposed it by a majority vote, and had therefore resigned itself to having these nominations made by the Council.

He thanked all his colleagues for helping him to find a compromise formula; boldness had never entirely superseded prudence. He felt that the present experiment could be entered upon with confidence. The Economic Committee would realise what limits it should impose upon itself. If slight conflicts of competence should arise, it would rely once more on the Council to settle them. Apart from that, the functions of the Advisory Committee would be precisely those indicated by Dr. Breitscheid. It would stimulate the Economic Committee, as it were, with pinpricks, and thus both bodies would safely reach their common goal and cure the economic ills of the world.

Major ELLIOT (British Empire) felt bound to say, for his colleagues as well as for himself, how greatly they had appreciated the courtesy and ability with which M. Loucheur had directed the negotiations, particularly in the Drafting Committee. He had no doubt that the discussions would continue to be marked by the same atmosphere of commonsense as had been displayed hitherto.

M. ANDERSEN (Denmark) remarked that it went without saying that the new Committee would be representative of the different economic interests, and he hoped that, in establishing the new organisation, the Council would endeavour so far as possible to take into account the various countries, particularly as regards the position of each branch of their respective economic developments.

M. LOUCHEUR (France) thanked the members of the Committee for the conciliatory spirit they had displayed. He proposed that the Committee should consider and approve the report at its next meeting. He asked it to empower its officers to forward to the Fourth Committee without delay the following resolutions, *which were adopted* :

"The Second Committee refers to the Fourth Committee the above two resolutions concerning : (1) the effect to be given to the resolutions taken at the Economic Conference and the work which will result therefrom; and (2) the new form to be given to the Economic Organisation; with the request that it examine the possibility of taking the budgetary measures needed to ensure the carrying-out of this programme.

"For this purpose, the Second Committee requests the Secretariat to determine the sum necessary to meet these needs, and to transmit this statement direct to the Fourth Committee."

32. Work for the Settlement of Greek Refugees : Proposed Greek Loan.

M. SUVICH (Italy), Rapporteur, read his report (Annex 11) and the following draft resolution :

"The Assembly

"Has learned with great interest of the successful result of the negotiations which have taken place with a view to the issue, under the auspices of the League of Nations, of a loan to enable the Greek Government to take measures of financial and monetary reorganisation and to proceed with the settlement of the refugees;

"In particular, expresses its appreciation of the plan which has been drawn up for the creation of a new bank of issue and for the stabilisation of the Greek currency;

"Expresses its appreciation to all those who have collaborated in these investigations and especially to the Greek Government and to the Financial Committee;

"Approves the progress made in the refugee settlement work and expresses the hope that this work will soon be successfully brought to a close;

"In conclusion, expresses the hope that the entire scheme which has now been elaborated will be fully successful."

Count VAN LYNDEN VAN SANDENBURG (Netherlands) congratulated the Rapporteur and the Financial Committee. He proposed to make the following amendments in the text of the report :

(a) "From the time that *the Bank of Greece* is established, the National Bank of Greece will take over the whole of *its shares*."

(b) "The centralisation . . . *in the Bank of Greece*."

M. SUVICH (Italy), Rapporteur, accepted these amendments.

M. CACLAMANOS (Greece), referring to a remark by the British delegate, commended the skill with which the Financial Committee had adapted its proposed measures to the varying conditions of each country, and this applied particularly to Greece.

The present plan aimed at a threefold achievement : the creation of an autonomous bank, the realisation and the maintenance of budget equilibrium, and the stabilisation of the paper currency. M. Caclamano observed that, out of the loan of £9,000,000, £3,000,000 would be set aside for the repayment of deficits and arrears. These deficits were due to the sudden arrival in Greece of 1,500,000 penniless refugees. The necessity of providing for their settlement had enormously aggravated Greece's financial difficulties.

The latent economic forces which were placed at the disposal of this noble work of settlement had enabled this serious situation to be faced. Out of its own resources, Greece had spent nearly £5,000,000, apart from the £12,000,000 lent to her under the auspices of the League of Nations. Hence the deficit of £3,000,000 in the Greek budget.

M. Caclamano thanked the Italian delegate for his report and recommended that the Committee approve the draft resolution.

M. SUVICH (Italy), Rapporteur, thanked the delegates of the Netherlands and Greece for their complimentary words.

The report and the draft resolution were adopted.

M. SUVICH (Italy) *was appointed Rapporteur to the Assembly.*

The CHAIRMAN said that the whole Committee associated itself with the congratulations offered to the Rapporteur.

THIRTEENTH MEETING

Held on Wednesday, September 21st, 1927, at 6 p.m.

Chairman : Mr. DANDURAND (Canada).

33. Work of the International Economic Conference : Economic Organisation of the League.

M. LOUCHEUR (France), Rapporteur, presented his draft report (Annex 12), *which was unanimously adopted.*

M. LOUCHEUR *was appointed Rapporteur to the Assembly.*

FOURTEENTH MEETING

Held on Friday, September 23rd, 1927, at 11 a.m.

Chairman : Mr. DANDURAND (Canada).

34. Opening of a Convention relating to the Execution of Foreign Arbitral Awards (Continuation).

Dr. LEITMAIER (Austria), Rapporteur, gave an account of the work of the Sub-Committee¹. Presided over by M. Limburg, the Sub-Committee had taken all possible account of the amendments proposed by the different Governments. It requested the Second Committee to give its unanimous approval to the new text of the Convention.

Dr. Leitmaier justified the length of his report by explaining that the delegations would

¹ The list of members of the Sub-Committee is to be found in Annex 2b, p. 88.

welcome the inclusion of the observations they had made during the discussions. Moreover, the report would serve as a practical guide to the jurists who would have to give effect to it.

Dr. LEITMAIER then read the report, together with the resolution annexed to it (Annex 2a).

Count VAN LYNDEN VAN SANDENBURG (Netherlands) complimented the Sub-Committee and the Rapporteur on their work.

He recalled the fact that his Government had pointed out that there were differences both of substance and of form between the draft Convention framed by the 1925 Hague Conference on Private Law and the present draft. The former laid down the primary condition that arbitral awards had the same authority in the State in which they were given as judicial decisions. The present draft took particular account of the fact that the arbitral award was based upon a compromise or upon an arbitration clause, that was to say, upon a private act.

Further, the Hague draft constituted no more than a basis for the conclusion of conventions between States or groups of States, whereas the present draft was in the nature of a general convention.

The Netherlands delegate expressed the opinion that, generally speaking, the basis adopted in the Hague draft was preferable to that adopted in the draft Convention submitted to the Committee.

However, as it was urgently necessary to fill the gap caused by a possible refusal of justice with regard to the execution of the Geneva Protocol of 1923, he accepted the draft resolution opening the Convention for signature by the contracting parties to the Geneva Protocol of 1923.

Dr. LEITMAIER (Austria), Rapporteur, accepted an amendment to Article 9 proposed by the British delegation. The following sentence :

“The present Convention may be denounced on behalf of any High Contracting Party”
was replaced by :

“The present Convention may be denounced on behalf of any Member of the League of Nations or any non-Member State”.

M. Marcel PLAISANT (France) congratulated the Rapporteur on his remarkable exposition of an exceedingly difficult legal question. He hoped that a very large number of States would shortly ratify the Convention.

At the same time, he considered that the Hague draft Convention, owing to its breadth of view, denoted a more advanced stage in the evolution of law. Each of the two drafts, however, satisfied different requirements, and he therefore hoped that both would shortly obtain practical realisation.

He proposed that the formal amendments adopted should be inserted in the draft.

Major ELLIOT (British Empire), Count VAN LYNDEN VAN SANDENBURG (Netherlands), Dr. LEITMAIER (Austria), M. TUMEDEI (Italy) and Sir Edward Maynard des CHAMPS CHAMIER (India) also submitted formal amendments, *which were adopted*.

The Committee then adopted the report as a whole.

Dr. LEITMAIER (Austria) *was appointed Rapporteur to the Assembly.*

35. Relations between the League of Nations and Institutes or Bodies set up under its Authority : Proposal by the British Delegation.

The CHAIRMAN informed the Committee that the President of the Assembly had referred to the Second Committee the following draft resolution submitted by Dame Edith LYTTTELTON on behalf of the British delegation :

“That the moment has arrived when the general question of the relations between the League of Nations and institutes or bodies set up under its authority, but not forming part of its organisation, should be studied, and the principles which should govern their acceptance by the League of Nations be laid down by the Council.”

He proposed the adoption of the following report :

“The Second Committee has given preliminary consideration to the draft resolution presented by Dame Edith Lyttelton on the institutes or bodies formed under the authority of the League of Nations. It recognises the great importance of the question, which is entirely new to the Assembly.

“It proposes that the Assembly should invite the Council to have the question studied and a report on it presented to the next ordinary session of the Assembly.”

Dame Edith LYTTTELTON (British Empire) thought that it was not right to say that the question was entirely new to the Assembly. It was a new aspect of the question which was being submitted to the Assembly. Article 24 of the Covenant mentioned the matter, and therefore it was not new.

The CHAIRMAN proposed to amend the text as follows :

“It notes the great importance of the question and proposes that the Assembly should invite the Council...”

M. Marcel PLAISANT (France) proposed that the scope of the question should be enlarged. Article 24 of the Covenant contemplated the possibility of placing existing international organisations under the authority of the League. It would be expedient also to fix the rules relating to the acceptance of donations and legacies for the purpose of establishing new organisations, and relating to the recognition of international foundations established under the authority of the League.

M. GALLAVRESI (Italy) associated himself with Dame Edith Lyttelton's proposal, but preferred to retain the text submitted rather than to enlarge the scope of the question. The Committee had no time in which to examine it in its new aspect, as the Assembly was drawing to a close.

Dame Edith LYTTELTON (British Empire) hoped that her resolution would be submitted to the Assembly in the form in which she had drafted it.

The Committee adopted the report with the amendment mentioned by the Chairman.

Dame Edith LYTTELTON (British Empire) was appointed Rapporteur to the Assembly.

FIFTEENTH MEETING

Held on Saturday, September 24th, 1927, at 3 p.m.

Chairman : Mr. DANDURAND (Canada).

36. Communications and Transit : Reply of the Fourth Committee to the Request for a Supplementary Credit for the Collection and Exchange of Information on Communications and Transit Questions.

The CHAIRMAN read the following letter from the Chairman of the Fourth Committee :

"I have the honour to inform you that the Fourth Committee, at its eighth meeting, held this afternoon, decided by fifteen votes to nine not to give effect to the proposal for a supplementary credit for the collection and exchange of information on communications and transit questions, which had been the subject of a resolution of the General Conference and of the Second Committee.

"The Fourth Committee bases its decision on the following passage from the report of the Supervisory Commission which considered, 'that at a moment when demands for more supplementary credits were asked than could be justified under a sound budgetary policy, it would perhaps be wise not to vote the credits specified above.'"

M. DE BROUCKÈRE (Belgium), Rapporteur, stated that he had strongly emphasised in his report, which was unanimously adopted by the Second Committee, the special usefulness and importance to the Transit Organisation of the collection and exchange of information on questions of communications and transit. The International Conference on Communications and Transit which met at Geneva was unanimous on this point.

The Fourth Committee's decision would render this side of the Transit Organisation's work quite impossible.

He mentioned that the Conference had included representatives of nearly all the States Members and certain States non-Members of the League, especially the United States. All were unanimous in declaring that the new organisation was necessary and they had asked the League to give effect to their decisions. The Second Committee was unanimous on the subject. Now, however, fifteen States had refused to-day to give the necessary credits, which had, nevertheless, been voted by their delegates. It was true that this decision was dictated by budgetary considerations. But should these be decisive here? He suggested that some of the members of the Second Committee should be chosen to meet a delegation of the Fourth Committee in order to seek a solution which could be submitted to the Assembly.

The States non-Members of the League had been specially invited to the Conference and had incurred expenditure, in particular the United States which had sent a complete delegation. Would it not be rather ridiculous to refuse credits after having come to an agreement?

He had been surprised by a passage in the Fourth Committee's letter, in which it was stated that this decision had been taken in agreement with the Supervisory Commission. This latter Commission had divided supplementary credits, in view of their number, into three categories : accepted, refused and doubtful. The credit relating to the Communications Organisation had been placed in the last category. It was therefore impossible to say that it had been refused, and consequently he was of opinion that the Second Committee should press the matter.

The CHAIRMAN proposed that a Mixed Sub-Committee, composed of members of the Second and Fourth Committees, should meet. He suggested that the following delegates should be appointed on the Sub-Committee : M. DE BROUCKÈRE (Belgium), M. GLIWIC (Poland), M. DI PAULI (Austria), Dr. BREITSCHIED (Germany), M. ITO (Japan), and Major ELLIOT (British Empire).

Major ELLIOT (British Empire) said he would be glad to hear the opinion of the Second Committee on the substance of the discussion. The Mixed Sub-Committee would thus receive some guidance in advance.

The CHAIRMAN asked whether all the members of the Committee agreed to insist upon this credit being maintained.

M. DI PAULI (Austria) felt that the apparent contradiction between the decisions of the Second and Fourth Committees was explained by the fact that the Fourth Committee had had to work in such haste that certain of its delegates had not perhaps been able to maintain the necessary contact with their colleagues on the Second Committee who had adopted the conclusions of the report.

Major ELLIOT (British Empire) said that he was not sure whether certain members of the Second Committee did not consider it advisable to defer to the Fourth Committee's decision, in view of the number of additional requests for credits in the present budget. Perhaps it would be possible, without altering the decisions of the Second Committee, to postpone the necessary expenditure until next year.

M. GLIWIC (Poland) was of opinion that the Second Committee could not change its point of view.

M. ZUMETA (Venezuela) pointed out that the Fourth Committee was quite well informed on the matter. It was the Supervisory Commission which desired to defer a definite decision until next year. If the Second Committee insisted, it would be better to leave the final decision to the Assembly itself.

The CHAIRMAN noted that the Committee was unanimous in maintaining its decision on this question, and he invited the members to agree to the appointment of a Sub-Committee which would seek an understanding on the question with a Sub-Committee of the Fourth Committee.

The Chairman's proposal was adopted¹.

36. Completion of the Work of the Second Committee.

The CHAIRMAN, in closing the session, thanked the Rapporteurs and all the members of the Committee for their valuable assistance, and also the Secretary of the Committee, M. Baumont, and the members of the Secretariat.

M. GALLAVRESI (Italy) reminded the Committee that at the beginning of its work some alarm had been felt at the large number of questions to be studied. If the end had been reached, it was thanks to the brilliant manner in which the Chairman had directed the discussions.

¹ As the result of a meeting held on the evening of September 24th by the Sub-Committees of the Second and Fourth Committees, the reports of the two Committees were slightly altered. The following sentence, in particular, was added to the report of M. de Brouckère :

“ . . . Nevertheless, it will not be possible, for financial reasons, to carry out immediately the scheme advocated for this purpose by the Conference; it is agreed, however, that, pending the adoption of the next budget, all possible measures shall be taken in order to get into touch with the different countries with a view to pursuing the preparation of this work . . . ”

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ANNEX 1.

WORK OF THE INTERNATIONAL COMMITTEE ON INTELLECTUAL
CO-OPERATION.

DRAFT REPORT BY DR. BREITSCHIED (GERMANY).

I have the honour to submit to you the draft report for approval by the Committee, and I beg to be excused if I perhaps repeat some remarks already made in Professor Lorentz's interesting speech.

The ninth session of the International Committee on Intellectual Co-operation took place in July 1927. The work of this Committee and of the Sub-Committees under it was to a great extent prepared and facilitated by the International Institute for Intellectual Co-operation.

Though having still to overcome difficulties of a financial kind which resulted in a certain understaffing, the Institute has acquitted itself of its task in a satisfactory manner. It has prepared reports, made the investigations requested by the International Committee on Intellectual Co-operation at its preceding session, convened Committees of Experts and assisted them in their work by every means in its power. In short, it carried out the resolutions of the Committee and has proved itself once again an indispensable auxiliary of the Committee.

The Second Committee has taken note of the report on the activities of the Institute and of the conclusions submitted by M. Destrée.

On behalf of the Governing Body of the Institute, the Rapporteur "believes he can affirm that the Administrative Council has reason to be completely satisfied with the activities of the International Institute for Intellectual Co-operation and that it should be given the greatest possible measure of support and encouragement".

The work of the Committee on Intellectual Co-operation was preceded by a meeting of the Sub-Committee of Experts for the Instruction of Youth in the Existence and Aims of the League of Nations. This Sub-Committee, which held its first session last year, drew up a number of recommendations and suggestions. We have already taken note of these recommendations. They were submitted to the seventh ordinary session of the Assembly.

In the light of the information communicated to the Secretariat both by the Governments and by private international associations concerned with the education of young people, this Sub-Committee of Experts thought it advisable to re-group and arrange in a more logical order the recommendations previously formulated.

In an admirable report (document A.26) which the Committee on Intellectual Co-operation approved unanimously, M. Destrée, member of the Sub-Committee, comments on these recommendations and sets forth the reasons which have led the Sub-Committee of Experts to come to these conclusions.

Further, on behalf of the Sub-Committee and in order to confirm the work accomplished, the Rapporteur proposes the three following resolutions :

(a) "A League of Nations Educational Information Centre to be created at the Secretariat of the Committee on Intellectual Co-operation in Geneva and at the International Institute for Intellectual Co-operation at Paris.

(b) "Authorisation to be granted to the Sub-Committee of Experts to meet every two or three years to examine the results obtained in the different States from the application of the recommendations drawn up by the Sub-Committee of Experts and, if necessary, to submit supplementary recommendations.

(c) "Authorisation to be granted to the Committee on Intellectual Co-operation, in consultation with the Secretariat, and with the sanction of the Governments concerned, to appoint permanent lecturers and advisers. These lecturers should remain at the disposal of the teaching staff and of the groups and associations desirous of promoting a spirit of international co-operation, to instruct them in the existence and aims of the League of Nations. Further, they should encourage the practical application of the Sub-Committee of Experts' recommendations."

These three proposals appear to be fully justified. Nevertheless, whilst the putting into practice of the first and second of these proposals would not impose any fresh charge on the budget of the Committee on Intellectual Co-operation, the third, if it were carried out, would involve a considerable increase in this budget. It would perhaps be advisable, to begin with, to approve only the first two proposals and to authorise the creation of the Educational Information Centre and also the meeting of the Sub-Committee of Experts, as at present constituted, at intervals which should be determined by the Committee on Intellectual Co-operation.

The Council, after examining the work of the Committee on Intellectual Co-operation on September 2nd, 1927, did not take any formal decision with regard to the proposals of the Sub-Committee of Experts. It did, however, put forward suggestions by which we might be guided with regard to the manner in which the Sub-Committee of Experts should operate in the future.

"The Sub-Committee [said the Council] might be convened by the Committee on Intellectual Co-operation when the latter thought it desirable. In the intervals between plenary meetings of the Sub-Committee, its Chairman might, if an important question should

arise, summon a small Committee consisting of some of the members of the Sub-Committee. This small Committee would investigate all questions requiring urgent consideration. It would be composed of those members of the Sub-Committee who were more especially qualified to deal with the particular question involved.

“The small Committee might be convened by the Chairman of the Sub-Committee after consultation with the Chairman of the International Committee on Intellectual Co-operation. As a general rule, the report of the small Committee would be laid before the plenary meeting of the Sub-Committee, except in particularly urgent cases, when it might first be sent direct to the Committee on Intellectual Co-operation.”

* * *

The four Sub-Committees of the Committee on Intellectual Co-operation have continued their work this year and have followed the same cautious and accurate methods as in the past. They have always taken advantage of existing national activities, and their efforts have led more frequently to the co-ordination of existing organisations than to the creation of new international bodies. The International Museums Office, which was founded by the Sub-Committee for Arts and Letters, and the Co-ordination Service of National Information Offices attached to Libraries, which was founded by the Sub-Committee for Scientific Relations, are based on the same principles.

It is to the initiative of the first of these bodies that we are indebted for the agreement between the Chalcographical Institutions of Madrid, Paris and Rome, the exhibitions held simultaneously in these cities and at present at Geneva, the publication of various *cahiers* for the use of persons interested in questions of museography, documentation on art, etc.

Most of the problems with which the Sub-Committees have had to deal during the recent session were not taken up by them for the first time. They had already been under consideration and their solution called for extensive and thorough investigation, and for meetings of experts and specialists. The Committee has pursued its object rapidly but without undue haste. Thus, for example, in the important sphere of the co-ordination of the bibliography of the various sciences, it has found a practical formula for the organisation of certain subjects in the form of an agreement between the parties concerned—those who prepare and those who make use of bibliographies. This is true of the economic sciences. In other departments, such as that of biology, progress is being made and there is every reason to believe that important practical results will be obtained.

There are still difficulties in the way of carrying out these useful proposals. These difficulties are, for the most part, of a financial character and the Committee on Intellectual Co-operation has commended this aspect of the problem to our notice. It is to be hoped that the Committee's appeal will be heard, and that these obstacles may be overcome thanks to grants from the international and national associations concerned, and perhaps also to private generosity.

The same difficulties threaten the existence of the Office for Annual Tables of Constants and Mathematical Quantities. The International Committee dealing with this matter is struggling under adverse conditions with obstacles which have become more serious since the war. Governments, scientific bodies and industrial circles are alike interested in the continuation of the work of the Committee for the Annual Tables of Constants.

I trust that the Second Committee will, like the Committee on Intellectual Co-operation, consider that it is essential to provide the Committee for the Annual Tables with the support and resources required to enable it to pursue its work. It will no doubt desire to recommend it to the friendly consideration of Governments, learned bodies and industrial circles.

As regards university relations, the Committee is gratified with the results obtained from the meeting, held under its auspices, of the representatives of the international students' associations and the directors of National University Offices. It also considered how the *Bulletin* issued by the University Relations Section of the Institute might be made as useful and interesting as the financial conditions governing its publication permit.

In connection with intellectual rights, two questions in particular have continued to claim the Committee's attention—scientific property and improvements in the existing convention on copyright. After an enquiry extending over five years, the Committee believes that the period of investigation is at an end and that it may convene a committee of experts for the former question. It would be the task of this committee to prepare a draft convention, taking into account the observations so far submitted and the enquiry conducted by the Institute for Intellectual Co-operation in the various circles concerned. The work undertaken by the Committee as a result of Senator Ruffini's proposal might thus lead to the conclusion of an international convention to protect and reward scientists and their discoveries.

The organisation of the Congress of Popular Arts has engrossed much of the activity of that section of the Institute. This Congress, which has been carefully prepared, will take place at Prague in the autumn of 1928. The Czechoslovak Government has kindly offered to provide for a part of the necessary expenses. This Congress has aroused the keenest interest in the majority of countries, and especially in Central and Eastern Europe. The Second Committee might perhaps consider that the Secretary-General of the League of Nations should be instructed to invite the Governments of countries Members of the League of Nations and non-Members either to be officially represented at this Congress or to urge upon the competent bodies the advantage of sharing in the work of the Congress, which will be the first of this kind to be organised by the League of Nations.

A new scheme has recently been put forward which would very happily carry on the work of the Congress of Popular Arts. The town of Berne has informed the Committee on Intellectual Co-operation that it is willing to organise an exhibition of popular arts for 1931 or 1932. The Committee on Intellectual Co-operation has noted this proposal with the greatest pleasure, and

I think I am expressing the sentiments of the Second Committee in congratulating the town of Berne on its generous proposal. Moreover, I am sure that the Institute for Intellectual Co-operation as well as the Secretariat of the Committee will do all they can to facilitate the carrying out of this scheme.

The Committee on Intellectual Co-operation has once more noted the importance of National Committees, and the extent to which their work facilitates the relations between the Committee itself and the intellectual centres of the various countries. It has also noted how advisable it would be to promote and encourage these Committees by giving them moral and, if possible, material support. The Assembly of the League of Nations has more than once shown its interest in these organisations, whose influence is steadily extending, and which now form a network covering not only most European countries but also countries in other continents.

The Committee on Intellectual Co-operation has very rightly taken a keen interest in the international movement which, for some time past, has developed in regard to the important problem of the cinematograph in its relation to general education and the development of the artistic sense.

Having noted the findings of the Congress of Paris of 1926 and the Congress of Basle of 1927, the Committee has authorised the Institute for Intellectual Co-operation to continue its study of this question, to support the work of the International Committee for educational and social welfare films, and to keep in touch with all institutions and national and provincial centres which are interested in this question.

The Committee has noted with satisfaction the setting up of a Committee of Intellectual Workers in connection with the International Labour Office. It has asked M. Destrée and Professor Einstein to represent it on this Committee.

The plenary Committee, sitting in its capacity of Governing Body, has examined the report of the Director of the Institute concerning last year's financial situation, as well as a report by M. de Reynold in the name of the Committee of Directors.

The Committee learned that it had been possible to balance the Institute's budget for 1928 thanks to the grants which were added, from various sources, to the French Government's grant. The Governing Body notes with regret, however, that the Institute's resources are still far from adequate for the carrying out of its entire programme.

A.II/3/1927.

ANNEX 2.

OPENING FOR SIGNATURE OF A PROTOCOL RELATING TO THE EXECUTION OF FOREIGN ARBITRAL AWARDS.

(REPORT OF THE SECRETARIAT.)

The Committee of Experts appointed on the initiative of the Economic Committee has drawn up a draft Protocol¹ relating to the Execution of Foreign Arbitral Awards and intended to supplement the Protocol of 1923 now in force between fourteen countries.

The question of opening this Protocol for the signature of States desiring to become parties to it has been placed by the Council on the agenda of the present session of the Assembly.

In bringing this decision of the Council to the knowledge of the Governments, the Secretary-General, by a circular letter No. 56, dated May 21st, 1927, requested them to be so good as to communicate the observations suggested by an examination of the draft, and in a further circular letter, No. 70, of June 25th, he asked them to state at the same time what were the conditions in which an arbitral award should be regarded as final under the relevant national law. One of the conditions required by the draft for the recognition of the binding force of an arbitral award and the enforcement thereof is that the award shall have become final in the State in which it was made.

In the present document, the Secretariat has grouped together the various criticisms, objections and suggestions presented by the Governments which have replied to the Secretary-General's invitation, in such a manner as to indicate the portions of the draft to which they relate.

The replies to the request for information as to when awards are final in the various countries are reproduced separately as the last part of this report.

Certain considerations of a general nature appear to require to be taken into account before examining the various objections or proposals made on particular points of the draft.

The *British* Government states that it has no additions or modifications to suggest beyond matters connected with the formal parts of the Convention and minor alterations. The modifications in the matter of form are those which are thought to be necessary to adapt the draft Protocol to the form of a Convention between heads of States and to take account of the particular position of the various parts of the British Empire in relation to one another and to the League of Nations.

The adoption of this form of agreement was suggested in March 1927 to the Council by Sir Austen Chamberlain, speaking on behalf of all the Governments represented at the Imperial Conference which was held in London in 1926. On that occasion, Sir Austen declared that it would be proposed, on behalf of all the Governments of the British Empire, that this form should be adopted for all conventions concluded in future under the auspices of the League. It has already been adopted for the Convention of July 12th, 1927, establishing an International Relief Union.

¹ The report of the Committee of Experts is reproduced in document A.11.1927.II.

As it has been thought that the British proposal as to the form of the agreement would be accepted, and as a considerable number of verbal changes result therefrom, it has appeared desirable to take as the basis of discussion the new text of the Convention submitted by the British Government. The variations from the draft originally submitted to the Assembly are italicised in this text.

Modifications other than those resulting from the change of form are indicated by means of notes placed together at the end of the text and by numbers referring to those notes affixed to the passages which are modified. The amendments proposed by other Governments are indicated by means of notes attached to the text of the original draft submitted to the Assembly.

It appears necessary to mention here a general observation made by the *Swedish* Government.

In a letter dated September 1st, 1927, addressed to the Secretary-General, the Swedish Government refers to the fact that Sweden has not become a party to the Protocol of 1923 and gives the reasons : they are, the discrepancy between the provisions of the Protocol and those of Swedish law and the small practical importance of the Protocol, which, irrespective of certain objections of principle to its provisions, renders it difficult to justify the necessary modifications in existing Swedish law.

Being, however, of opinion that the present draft might serve as a basis for an international agreement on the subject-matter, the Swedish Government declares itself prepared to examine the question of becoming a party to an agreement carrying out the principles embodied in the draft. But it follows from the attitude which that Government has adopted towards the Protocol of 1923 that it could not accept the conception that signature of the 1923 Protocol is a necessary condition for becoming a party to the new agreement. Accordingly, it suggests that Articles 6 and 8 should be amended so that the new Protocol may be open for signature by States which have not become parties to the 1923 Protocol.

The *Netherlands* Government, in its reply, compares the provisions of the draft with those of the draft Convention drawn up by the Fifth Conference on Private International Law at The Hague in 1925. It points out that, under Articles 4 and 2 of the Hague draft, arbitral awards made in one contracting State will be enforced in another contracting State if they are enforceable in the State where they were made and satisfy the requirements, so far as applicable, of the articles relating to enforcement of judgments. It follows that, to obtain the exequatur in a foreign country, it is sufficient that the award shall have received the exequatur of the judicial authority of the State where it was made and shall not be contrary to public order or the principles of the national law of the State where it is to be enforced. If the award was made by default, it is further necessary that the party should have been declared in default in pursuance of the provisions of the law of the country where the award was made. The *Netherlands* Government considers that these are conditions the realisation of which can be easily verified by the court of the State in which enforcement is sought, whereas, under the draft submitted to the Assembly, the court asked to pronounce the exequatur will have to make enquiries, which will often be difficult, lengthy and complicated, as to the provisions governing the arbitration and arbitration procedure in the foreign country.

Proceeding from the above point of view, the *Netherlands* Government formulates a number of criticisms on several provisions of the draft. These criticisms are indicated by notes attached to the text of the draft. The *Netherlands* Government concludes by declaring that, in its opinion, the principle governing the Hague draft is preferable to that of the draft under discussion.

Draft submitted to the Assembly.

British Government's Draft.

DRAFT PROTOCOL ON THE EXECUTION OF FOREIGN ARBITRAL AWARDS.

DRAFT *Convention* ON THE EXECUTION OF FOREIGN ARBITRAL AWARDS.

The undersigned, being duly authorised, declare that they accept, on behalf of the States which they represent, the following provisions :

.
His Majesty the King of Great Britain, Ireland and the British Dominions beyond the Seas, Emperor of India,
.

Have resolved to conclude a Convention for the purpose of supplementing the Protocol on Arbitration Clauses drawn up at Geneva on September 24th, 1923 and to that end have appointed as their plenipotentiaries :
.

His Majesty the King of Great Britain, Ireland and the British Dominions beyond the Seas, Emperor of India,

For Great Britain and Northern Ireland and all parts of the British Empire which are not separate Members of the League,

A. B.

.
Who, having communicated their full powers,

found in good and due form, have agreed as follows :

Article 1.

In each of the Contracting States, an arbitral award made in (11) another Contracting State in pursuance of an agreement whether relating to existing or future differences (hereinafter called "a submission to arbitration") referred to in the Protocol on Arbitration Clauses which has been open at Geneva since September 24th, 1923 (12), shall be recognised as binding and execution thereof shall be granted in accordance with the laws of that State if the said award fulfils the following conditions (22) (29) :

(a) That it has been made in pursuance of a submission to arbitration which is valid under the laws applicable thereto (7) (13) (18);

(b) That the subject-matter of the award is capable of settlement by arbitration under the law of the State in which the award is sought to be relied upon;

(c) That the award has been given by the arbitral tribunal provided for in the submission to arbitration or constituted in the manner agreed upon by the parties and in conformity with the law governing the arbitration procedure (7) (28);

(d) That the award has become final (8) in the State (11) in which it was made (14) (23);

(e) That the award is not contrary to public policy or to the principles of the public law of the State in which it is relied upon (26).

Article 2 (9).

Even if the conditions laid down in Article 1 are fulfilled, recognition and enforcement of the award shall be refused if the court is satisfied :

(a) That the award has been annulled in the State in which it was made (15);

(b) That the party against whom it is sought to use the award was not given notice of the arbitration proceedings in sufficient time to enable him to present his case; or that, being under a legal incapacity, he was not properly represented (7) (27);

(c) That the award does not deal with differences contemplated by or falling within the terms of the submission to arbitration, or does not decide all the questions, and only the questions, submitted to the arbitral tribunal (19) (24).

Article 3 (10).

If the party against whom the award has been made proves that, under the law (28)

Article 1.

In the territories of any High Contracting Party to which the present Convention applies, an arbitral award made in the territories of any other High Contracting Party, to which the present Convention applies, in pursuance of an agreement whether relating to existing or future differences (hereinafter called "a submission to arbitration") referred to in the Protocol on Arbitration Clauses which has been open at Geneva since September 24th, 1923, shall be recognised as binding and shall be enforced (1) in accordance with the laws of the territory in which it is sought to be relied upon, (2) if the said award fulfils the following conditions :

(a) That it has been made in pursuance of a submission to arbitration which is valid under the laws applicable thereto;

(b) That the subject-matter of the award is capable of settlement by arbitration under the law of the *territory* in which the award is sought to be relied upon (2);

(c) That the award has been given by the arbitral tribunal provided for in the submission to arbitration or constituted in the manner agreed upon by the parties and in conformity with the law governing the arbitration procedure;

(d) That the award has become final in the *territory* in which it was made;

(e) That the *enforcement (3) of the award* is not contrary to public policy or to the principles of the *law of the territory* in which it is relied upon.

Article 2 (4).

Even if the conditions laid down in Article 1 are fulfilled, recognition and enforcement of the award shall be refused if the court is satisfied :

(a) That the party against whom it is sought to use the award was not given notice of the arbitration proceedings in sufficient time to enable him to present his case; or that, being under a legal incapacity, he was not properly represented;

(b) That the award does not deal with differences contemplated by or falling within the terms of the submission to arbitration, or does not decide all the questions, and only the questions, submitted to the arbitral tribunal;

(c) That the award has been annulled in the *territory* in which it was made or has been satisfied or discharged by payment or otherwise (5).

••

Article 3.

If the party against whom the award has been made proves that, under the law governing

governing the arbitration procedure, there is a ground, other than those referred to in Articles 1 and 2, entitling him to seek to have the award annulled, the court may either refuse recognition or enforcement of the award or may adjourn the consideration thereof, giving such party a reasonable time within which to have the award annulled by the competent tribunal.

Article 4.

The party relying upon an award or claiming its enforcement must supply :

(1) The original award or a copy thereof duly authenticated according to the requirements of the laws of the State in which it was made;

(2) Documentary or other evidence to prove that the award has become final in the State in which it was made;

(3) When necessary, documentary or other evidence to prove that the conditions laid down in Article 1 (*a*) and (*c*) have been fulfilled (20) (21).

Article 5.

The provisions of the above article shall not deprive any interested party of the right of availing himself of an arbitral award in the manner and to the extent allowed by the law or the treaties of the State where such award is sought to be relied upon.

Article 6.

The present Protocol, which will remain open to the signature of all the States which are signatories of the Protocol on Arbitration Clauses of 1923, shall be ratified (16).

It may be ratified only by those States which are Parties to the Protocol of 1923.

Ratifications shall be deposited as soon as possible with the Secretary-General of the League of Nations, who will notify such deposit to all signatory States.

Article 7.

The present Protocol shall come into force when it has been ratified by two States. It shall take effect, in the case of each State, three months after the deposit of its ratification with the Secretary-General of the League of Nations.

Article 8 (17).

The present Protocol may be denounced by any Contracting State. Denunciation shall be notified in writing to the Secretary-General of the League of Nations, who will immediately send a copy thereof, certified to be in conformity with the notification, to all the other Contract-

the arbitration procedure, there is a ground, other than those referred to in Articles 1 and 2, entitling him to seek to have the award annulled, the court may either refuse recognition or enforcement of the award or may adjourn the consideration thereof, giving such party a reasonable time within which to have the award annulled by the competent tribunal or remitted to the arbitral tribunal (6).

Article 4.

The party relying upon an award or claiming its enforcement must supply :

(1) The original award or a copy thereof duly authenticated according to the requirements of the laws of the territory in which it was made;

(2) Documentary or other evidence to prove that the award has become final in the territory in which it was made;

(3) When necessary, documentary or other evidences to prove that the conditions laid down in Article 1 (*a*) and (*c*) have been fulfilled.

Article 5.

The provisions of the above article shall not deprive any interested party of the right of availing himself of an arbitral award in the manner and to the extent allowed by the law or the treaties *applying to the territory* where such award is sought to be relied upon.

Article 6.

The present *Convention*, which will remain open for signature on behalf of those Members of the League or non-Member States on whose behalf the Protocol on Arbitration Clauses of 1923 has been signed, shall be ratified.

It may be ratified only on behalf of those Members of the League or non-Member States on whose behalf the Protocol of 1923 has been ratified.

Ratifications shall be deposited as soon as possible with the Secretary-General of the League of Nations, who will notify such deposit to all Members of the League or non-Member States on whose behalf the present *Convention* has been signed.

Article 7.

The present *Convention* shall come into force three months after it has been ratified on behalf of two Members of the League or non-Member States. Thereafter it shall take effect, in the case of each Member of the League or non-Member State, three months after the deposit of the ratification on its behalf with the Secretary-General of the League of Nations.

Article 8.

The present *Convention* may be denounced on behalf of any Member of the League or non-Member State. Denunciation shall be notified in writing to the Secretary-General of the League of Nations, who will immediately send a copy thereof, certified to be in conformity

ing States, at the same time informing them of the date on which he received it.

The denunciation shall operate only in respect of the notifying State and shall take effect one year after the notification thereof shall have reached the Secretary-General of the League of Nations.

The denunciation of the Protocol on Arbitration Clauses shall entail, *ipso facto*, the denunciation of the present Protocol.

Article 9.

The Contracting States may declare, at the time of signature or ratification, that their acceptance of the present Protocol does not include any or all of the under-mentioned territories, that is to say : their colonies, overseas possessions or territories, protectorates or the territories over which they exercise a mandate.

These States may subsequently make the present Protocol applicable to all or any of the territories thus excluded. The declaration to this effect shall be notified to the Secretary-General of the League of Nations, who shall immediately send a copy certified to be in conformity with the declaration to all the Contracting States, at the same time informing them of the date on which he received it. This declaration shall operate three months after the date on which it shall have been delivered to the Secretary-General of the League of Nations.

The Contracting States may also denounce the Protocol separately on behalf of any or all of the territories referred to above. Article 8 applies to such denunciation.

The application of the present Protocol to colonies, overseas possessions or territories, protectorates or territories over which a Contracting State exercises a mandate is always subject to the condition that the Protocol on Arbitration Clauses is applicable to them.

Article 10.

A certified copy of the present Protocol will be transmitted by the Secretary-General of the League of Nations to all the Contracting States.

DONE at Geneva on the in a single copy, of which the English and French texts are both authentic, and which will be kept in the archives of the League of Nations.

with the notification, to all the other Members of the League or non-Member States on whose behalf the present Convention has been ratified, at the same time informing them of the date on which he received it.

The denunciation shall operate only in respect of the Member of the League or non-Member State on whose behalf it was notified and shall take effect one year after the notification thereof shall have reached the Secretary-General of the League of Nations.

The denunciation of the Protocol on Arbitration Clauses shall entail, *ipso facto*, the denunciation of the present Convention.

Article 9.

Any High Contracting Party may at any time declare that he desires that the present Convention shall apply to all or any of his colonies, protectorates or territories under suzerainty or mandate to which the Protocol on Arbitration Clauses is applicable, and the Convention shall apply to all the territories named in such a declaration three months after the date thereof, but, failing such declaration, the Convention will not apply to any such territories.

Any High Contracting Party may at any time give notice that he desires that the present Convention shall cease to apply to all or any of the territories which have been made the subject of a declaration in the preceding paragraph, and the Convention shall cease to apply to the territories named in such a notice one year after receipt of the notice by the Secretary-General of the League of Nations.

The denunciation of the Protocol on Arbitration Clauses in respect of any colony, protectorate or territory under suzerainty or mandate shall entail, *ipso facto*, the cessation of the application of the present Convention in respect thereto.

Article 10.

A certified copy of the present Convention will be transmitted by the Secretary-General of the League of Nations to all Members of the League of Nations or States non-Members on whose behalf the Protocol on Arbitration Clauses has been signed.

In faith whereof, the above-named Plenipotentiaries have signed the present Convention.

DONE at Geneva on the in a single copy, of which the English and French texts are both authentic, and which will be kept in the archives of the League of Nations.

(Signatures.)

(For Great Britain and Northern Ireland and all parts of the British Empire which are not separate Members of the League.)

A. B.

OBSERVATIONS, CRITICISMS, AMENDMENTS AND SUGGESTIONS
PROPOSED BY VARIOUS GOVERNMENTS.

1. The *British* Government writes :

"The word 'enforced' is substituted for the expression 'execution thereof . . . granted'. This amendment, in the view of the British Government, is thought necessary because in English it may not be quite clear what 'granting of execution' means. In English procedure, 'execution' is a technical term and the purposes of the Protocol would be better served by the use of the word 'enforced'."

2. The *British* Government, as will be seen below, proposes to substitute the word "territory" for the word "State". By adding the words "in which it is sought to be relied upon", it intends to put beyond doubt that an award is to be enforced in accordance with the law of the territory in which that enforcement is sought, and not in accordance with the law of the territory in which the award was made.

The British Government has thought it advisable to alter the expression "public law" to "law", as the expression "public law" is not appropriate to the law of England and as the expression "droit public" appearing in the French text is regarded as corresponding to the word "law" in English.

3. By inserting the words "enforcement of the" before the word "award", the *British* Government has sought to make it clear that one of the conditions which the award must satisfy before it can be enforced is that this enforcement is not contrary to public policy or to the principles of the law in the territory in which it is relied upon. It is to be observed that the expression "public law" has been altered to "law", as the expression "public law" is not appropriate to the law of England, and the expression "droit public" appearing in French text is regarded as corresponding to the word "law" in English.

4. It will be seen that the *British* Government proposes to change the order of the conditions which involve refusal of enforcement of an award and that the first condition becomes the third condition.

5. The *British* Government proposes to add the words which are italicised in order to show clearly that enforcement of an award should be refused, not only if the court is satisfied that the award has been annulled in the territory where it was made, but also if it is proved to the court that the award has been satisfied or discharged by payment or otherwise. It considers the insertion of these words to be an improvement, for it remarks that, clearly, if a person against whom it is sought to enforce an award can show that there is nothing due under it for any reason, then that award ought not to be enforced against him.

6. The *British* Government proposes to add at the end of Article 3 the phrase which is italicised, in order to cover the position which exists in Great Britain, namely, that, instead of annulling an award, a court may remit it to the arbitral tribunal for reconsideration, or to explain or express more clearly some point in the award on which the court may be in doubt.

7. The *Netherlands* Government points out that the provisions of Articles 1, letters (a) and (c), and 2, letter (b), will force the court which is asked to give the exequatur to enter into an examination of the provisions governing arbitration in the State where the award was made and of the arbitration procedure in force in that State. It considers that this examination may necessitate multifarious enquiries, and even, in certain cases, the production of evidence, which may frequently involve lengthy discussions in court.

In fact, in most of the cases where an award is to be enforced abroad, one of the parties will resort to all possible means of avoiding its consequences. The necessity of proceeding to the above-mentioned examination would disappear if the award sought to be enforced were declared enforceable by the authority of the country where it was given, since that authority would not enforce the award without ascertaining that all the conditions necessary for its validity were satisfied.

The report of the Committee of Legal Experts abstains from requiring that the award shall be enforceable in the country where it was given, on the ground that the award may often have been made in a third country and that in that case judicial control by such country might involve unnecessary expense.

This reason does not appear to the *Netherlands* Government to be well founded. First, it may be asked why a request for enforcement in a third country should involve more expenses than a request for enforcement in a State of which the parties are nationals. Secondly, it must not be forgotten that the parties are free to stipulate that awards shall not be made in a third country. Finally, such third country would always be one of the contracting States and therefore a State whose rules as to legal costs can be ascertained in advance.

Even, however, if some additional expense should be involved by the requirement that the award should have been made enforceable in the country where it originated, this consideration would in no way justify sacrificing the guarantee of certitude furnished by such enforceability, a guarantee which, as stated above, results in avoiding proceedings before the court asked to enforce the award, the costs of which would probably far exceed those of obtaining the exequatur in question.

8. The *Netherlands* Government considers that it would be going too far to require as a general rule that the awards shall have become final. Cases can be imagined where an award is enforceable without being final, as, for example, where provisional enforcement has been ordered. Accordingly,

in the opinion of the Netherlands Government, the express condition of finality should be omitted in the proposed international rules. Furthermore, in cases where provisional enforcement has not been ordered, it is the duty of the court of the country where the award was made to examine whether the award is subject to appeal or other form of attack before it accords the exequatur.

9. The *Netherlands* Government remarks that the views which it has expressed as to the necessity of requiring that the award shall have been made enforceable in the country where it originated involve also the suppression of Article 2.

As regards the three classes of case contemplated by this article, it is to be noted :

(1) It is clear that an award which has been annulled cannot be enforced, but neither will such an award obtain the exequatur of the authority of the country where it was made.

(2) The exequatur of the court of the country where the award was given furnishes the best guarantee and the best proof that the rights of the two parties have been safeguarded.

(3) The examination contemplated under letter (c) of the article relates to matters of substance which are not within the competence of the court asked to enforce the award.

10. The *Netherlands* Government makes the following observations on this article :

Article 3 of the draft Protocol starts with the principle, in itself logical, that the enforcement of the arbitral award should be suspended in all cases where its annulment may be possible. Here too, however, the court asked to enforce the award is called upon to make enquiries which should rather be entrusted to the courts of the country where the award was made. It is in fact the latter courts which ought to decide whether, under their law, the award will have to be annulled.

On the other hand, the fact that proceedings for annulment have been commenced before the said courts and opposition to enforcement of the award has been made should be sufficient to cause the court of the place of enforcement to order suspension of enforcement.

Adoption of the above system will make it unnecessary for the court asked to enforce the award to enquire into the grounds for annulment and to choose between suspending and refusing enforcement; in most cases, that court, being ignorant of the law under which the award was made, will find it difficult to make such enquiry and choice.

11. The *Swedish* Government asks whether it is really advisable to admit that the place where the award was given, which may often depend on quite accidental circumstances, should be a decisive factor in determining whether the award can be enforced. It might perhaps be better that the condition of reciprocity, which under the draft is to be the condition for recognition and enforcement of arbitral awards, should be based on the fact that both parties are within the jurisdiction of contracting States. (See also note 14.)

12. Although the *Swedish* Government is not in favour of limiting participation in the new Protocol to States which are already parties to that of 1923, it does not, in its opinion, follow that Article 1, which refers to the 1923 Protocol, must be changed. That provision in itself could not prevent States not signatories of the former Protocol from becoming parties to an agreement drawn up in accordance with the present draft. From the drafting point of view, however, it would doubtless be preferable to substitute for such reference an enumeration of the conditions which must be met by any submission to arbitration on which the arbitral award must be based if the Protocol is to apply to it.

13. The *Swedish* Government observes that the question whether an arbitral award can be enforced under the terms of the draft depends upon whether the award is final, which necessarily implies that the submission to arbitration, which is the basis of the award, must be binding on the parties. It is a quite different question, in the opinion of the Swedish Government, whether in general — as is the case in Sweden — arbitration clauses are binding as between the parties to them.

The provision of Article 1 (a) appears well founded in itself. Nevertheless, it must be remarked that, in the absence of agreement as to what national law is applicable to a submission to arbitration, the provision must mean that it is the State in which the award is relied on which has to decide the question as to what law is applicable following the rules which it observes itself in the matter of conflicts of laws.

14. The *Swedish* Government asks whether it should not be explicitly noted that the question whether the award is final will be decided in accordance with the law of the State in which the award was made. In its opinion, therefore, it would be preferable to make the provision read as follows :

“That the award has become final under the law applicable to it.” (Cf. paragraph (a).)

15. On this provision, the *Swedish* Government makes the same observation as on Article 1, paragraph (d) (Note 14). Further, it must not be forgotten that an award may be *ipso jure* null. Accordingly, it would be better to employ the following phrase :

“That the award is null and void or has been annulled under the provisions of the law which is applicable to it.”

16 and 17. The *Swedish* Government suggests that Articles 6 and 8 should be amended so that the new Protocol may be open to signature by all States including those which have not become parties to the 1923 Protocol. It cannot accept the idea that signature and ratification of the 1923 Protocol should be a necessary condition for becoming a party to an agreement carrying out the purposes of the present draft.

Accordingly, the Swedish Government proposes to redraft Article 6 as follows :

“The present Protocol shall be ratified”,

and to strike out the second paragraph of the article.

In accordance with the above observation, the Swedish Government also proposes to strike out paragraph 3 of Article 8.

18. The *German* Government proposes to insert the following paragraph after letter (a) :

“Unless the submission to arbitration contains an express provision to the contrary, the validity of the award shall be decided by the law of the Contracting State in which the arbitration took place.”

It justifies this proposal as follows :

Seeing that the text of the Protocol contains no rule as to the law which is to determine the validity of a submission to arbitration, there is a danger that entirely different answers may be given to this question by the courts of the contracting States, which would seriously compromise, on a most important point, the object aimed at by the Protocol, namely, the establishment of a uniform judicial procedure for the enforcement of foreign arbitral awards. It seems, therefore, proper to settle this question explicitly and positively and so place all parties in a legal position which is clear and free from doubt.

19. The *German* Government proposes to strike out the last part of letter (c) of Article 2 beginning with the words “or does not decide all the questions . . .”.

The following reasons are given in support of this proposal :

Under the provision in question, an international arbitral tribunal which found that part of the plaintiff's case could be considered to be definitely proved but that the remainder required further investigation could not render an enforceable award dealing only with that part of the plaintiff's case which was settled. The fact that awards dealing only with part of the matters before the tribunal could not be recognised or enforced abroad has caused very serious criticism in German industrial circles. It is, in fact, feared that the impossibility of rendering enforceable awards dealing with only part of a case would induce unscrupulous debtors to delay arbitration proceedings by opposing to a claim the greater part of which was indisputable and undisputed complicated objections founded on a small part of the claim. German economic circles consider that this eventuality would make the value of the present draft open to considerable doubt.

20. The *German* Government considers that Article 4 should be completed by the addition of a second paragraph in the following terms :

“The conditions laid down in paragraph 1, No. 2, shall be satisfied by the production of a statement from the competent authority of the State in which the award was made. The Governments of the Contracting States will reciprocally communicate to one another lists of the authorities competent in this matter in their territory.”

The following are the reasons given for this proposal by the German Government :

At the forty-fifth session of the Council of the League of Nations, M. Scialoja, the representative of Italy, pointed out that difficulties are likely to arise as to the interpretation of the conception “final award” contained in Article 4, paragraph 2, No. 2, of the draft. Amendment III tends to diminish these difficulties by securing that the finality or otherwise of an award shall be certified by the authorities of the contracting State whose law determines the validity or otherwise of the submission to arbitration.

21. The *German* Government considers that Article 4 should be completed by a third paragraph in the following terms :

“The State in which enforcement is sought may ask the party relying on the award to furnish in addition a duly certified translation in its official language of the award itself and of all other documents relevant to show that the application is well founded, provided that the other State concerned possesses institutions permitting the administrations of the country to assure such certification. No other form of authentication may be demanded.”

It appears to the German Government to be necessary to regulate explicitly the question of translations, in order to avoid the difficulties which the carrying out of the Convention might encounter and to ensure uniform practice in all the contracting States.

22. The Government of the *Swiss* Confederation would like to see a particular point more precisely settled in the text of the Protocol. It considers it desirable to know if the new Protocol will apply only to awards made after its entry into force or will have retroactive effect, and, in the latter case, to what extent.

23. The *Estonian* Government proposes that letter (d) of Article 1 should read as follows :

“(d) . . . That the award has become final under the law of the State in which it was made.”

The Estonian Government feels that the actual provisions of letter (d) may to a certain extent be equivocal, since, for example, under Estonian law as to civil procedure, an award may be considered as final not merely when it is no longer open to appeal, or to a motion to quash it for

a mistake of law (*cassation*), but also when an appeal is not possible although the latter motion is still admissible.

24. The Government of *India* proposes to add to Article 2 a last case in which enforcement of the award will be refused, namely, where the award is so indefinite as to be incapable of execution.

Such a provision would be in accordance with a provision of the Indian Code of Civil Procedure under which, in certain conditions, a court may remit an award or any matter referred to arbitration to the reconsideration of the same arbitrator or umpire upon such terms as it thinks fit; one of these conditions is the case where the award is so indefinite as to be incapable of execution.

25. The *Italian* Government considers that the real meaning of the words "that the award has become final" (Article 1, paragraph (*d*)) needs to be made clearer, because that expression is differently understood in the legislation of different countries. The Italian Government therefore proposes to say "that there is no further recourse against the award in the State in which it was made, unless by the exceptional procedure of the 'requête civile' (motion for a review of the judgment based on facts or documents which were not known at the time when the award was made)".

26. *Observations by the Japanese Government.*—Under the law in force in Japan, arbitrators may give an arbitral award on the merits of the case submitted for arbitration without reference to the provisions of the laws governing the matter.

On the other hand, there are countries where the arbitrators are bound, in case of arbitration, to apply the provisions of the laws governing the matter referred to arbitration.

Under these circumstances, the Japanese Government is not sure whether an arbitral award given in Japan would not be regarded in a country belonging to the second of the above classes as "contrary to public policy or to the principles of the public law of the State in which it is relied upon" Article 1 (*e*).

The Protocol contains no provision by which this question can be settled.

27. The *Japanese* Government thinks that very serious difficulties would be experienced in applying Article 2 (*b*).

Under the law in force in Japan, the arbitrators are bound, before making the award, to interrogate the parties and consider, if necessary, the facts constituting the subject of the dispute (Article 794, paragraph 1, of the Law on Civil Procedure). Should the arbitrators not do so, the parties are empowered to demand that the arbitral award should be annulled (Article 801, paragraph 1, No. 4, of the Law on Civil Procedure).

The parties are free to conclude an agreement to dispense with the procedure of interrogation and preliminary examination and to waive the right of demanding the annulment of an arbitral award given without a preliminary interrogatory (Article 801, paragraph 2, of the Law on Civil Procedure).

Article 2, paragraph (*b*), of the Protocol lays down that "recognition and enforcement of the award shall be refused if the Court is satisfied :

"(*b*) That the party against whom it is sought to use the award was not given notice of the arbitration proceedings in sufficient time to enable him to present his case . . .".

The Japanese Government is not sure whether recognition and enforcement of an arbitral award given in Japan, following on an agreement provided for in, and authorised by, Article 801, paragraph 2, of the Law on Civil Procedure might not be refused in virtue of the provisions of Article 2 (*b*) of the Protocol.

28. *Observations by the Danish Government.*—As there is no general law on arbitration procedure in Denmark, the words in Article 1 (*c*), "the law governing the arbitration procedure", should be replaced by the words "the rules in force regarding arbitration procedure".

The words in Article 3, "under the law governing the arbitration procedure", should also be replaced by the following : "under the rules governing arbitration in force in the country in which the award will be enforced".

29. *Observation from the Danish Government.*—The granting of the executory character of arbitral awards is subject, under Danish law, to supervision by the ordinary courts. In conformity with the reservation made by Denmark on May 30th, 1924, when signing the Protocol on Arbitration Clauses opened at Geneva as from September 24th, 1923¹, it will therefore be necessary to make a reservation, so far as Denmark is concerned, regarding the submission of arbitral awards to the ordinary courts, and indicating that it does not rest with the executive authorities (in this case the "Foged") to deal with objections made by any of the parties.

¹ The reservation in question is as follows :

"On signing the Protocol on Arbitration Clauses done at Geneva on September 24th, 1923, I, the undersigned representative of the Danish Government, accredited to the Secretariat of the League of Nations, make the following declaration in respect of Article 3 : Under Danish law, arbitral awards made by an arbitral tribunal do not immediately become operative; it is necessary in each case, in order to make an award operative, to apply to the ordinary Courts of Law. In the course of the proceedings, however, the arbitral award will generally be accepted by such Courts without further examination, as a basis for the final judgment in the affair. Subject to ratification.

"Geneva, May 30th, 1924.

For Denmark,
A. OLDENBURG."

INFORMATION COMMUNICATED TO THE SECRETARIAT BY CERTAIN GOVERNMENTS AS TO THE CONDITIONS IN WHICH AWARDS ARE CONSIDERED AS HAVING BECOME FINAL UNDER THE LAW OF THE COUNTRIES IN QUESTION.

1. *Austria*.—Under the Austrian Code dealing with execution (paragraph 1, No. 16), arbitral awards are recognised as giving the right to execution, provided that they are not open to be brought before a superior arbitration tribunal. Under the Law of Civil Procedure (paragraph 594), an award is recognised as having the same effect, as between the parties to the dispute, as the judgment of a court, unless the parties to the submission to arbitration have reserved the right of appeal to a higher arbitral tribunal.

Arbitrators are bound by law to certify in writing on a certified true copy of the award, if any party to the dispute so requests, that the award has settled the rights of the parties (*acquis force de chose jugée*) and in consequence gives the right to execution.

As appears from the above, Austrian law does not actually employ the expression "final" in determining the conditions under which an award is enforceable. Should the draft Protocol come into force for Austria, the Austrian courts, in applying it, would have to interpret the expression "final" as used in the Protocol.

In the opinion of the Department of Justice, however, there is no doubt that in such a case the Austrian courts would interpret the Protocol in the sense that an award made abroad could not be considered as final unless it satisfied the conditions in which an award made in Austria is considered as settling the rights of the parties, namely, that of not being open to be brought before a higher arbitral tribunal.

The fact that annulment of an award may, in certain circumstances, be asked from the courts by way of an action (*plainte*) or an application to set it aside as annulled does not in Austrian law prevent its enforcement, although if necessary, the enforcement may on such grounds be adjourned by the competent court.

2. *Belgium*.—The provisions of the Code of Civil Procedure on this subject are as follows :

At the time of the arbitral agreement or thereafter, the parties may renounce the right of appeal. When the arbitration deals with an appeal or with a "requête civile", the arbitral award will be final and subject to no appeal (Article 1010).

An arbitral award shall in no case be subject to "opposition" (Article 1016).

An application to quash the award on the ground of a mistake in law (*cassation*) can only be made against judgments of the courts delivered either upon a "requête civile" or upon an appeal against an arbitral award (Article 1028).

The arbitral award must be made enforceable by an order of the President of the Court of First Instance within whose jurisdiction the award was made (Article 1020).

3. *Brazil*¹.—The awards in question are awards in settlement of a dispute under private law. Article 1045 of the Brazilian Civil Code reads as follows :

" An arbitral award shall not be enforced until it has been homologated, unless it was made by a judge of first or second instance sitting as arbitrator between the parties."

It results from this provision that, under the internal law of Brazil, arbitral awards are not deemed legally enforceable except by virtue of homologation by the judicial authority. The formality of homologation confers public authority on the award and renders it enforceable in the same manner as the judgment of a competent court in an action before it.

As a general rule, however, awards are carried out voluntarily and immediately by the parties without homologation. Homologation is only necessary for the purpose of forced execution. Awards should accordingly be considered as final from the moment when they are made, whether they result from agreement of the arbitrators or represent the umpire's decision following on disagreement between the arbitrators.

If the award was made by a judge sitting as an arbitrator, homologation is not necessary and the award can be enforced by legal process in the same manner as if it were the judgment of a court given under the procedure applicable to an ordinary action.

In the latter case, the award is final and gives the right to execution as from the moment when it was made.

An award may be brought up to a court of second instance in the following cases :

- (1) If the submission to arbitration gives this right;
- (2) If the submission is void or voidable;
- (3) If the award was pronounced after the submission to arbitration had ceased to be in force;
- (4) Where the arbitrator has exceeded his competence.

In the last case, the award has no effect if provision is made for an appeal. The above are the provisions of the internal law.

As regards foreign awards, a distinction must be made. Awards on which the character of acts of public authority has been conferred by intervention of the judicial authority will constitute judicial decisions enforceable in Brazil by homologation by the Federal Supreme Tribunal. In the absence of such intervention of the judicial authority, the awards will constitute acts of private law which will not be enforceable judicially, because Law No. 221 of

¹ Opinion by M. Clovis Bevilacqua, communicated by the Brazilian Government.

November 20th, 1894, which governs the matter, refers in its Article 12, paragraph 4, only to authenticated copies of judgments (*cartas de sentença*) of foreign courts and this expression refers to acts of the judicial authority.

Professor Bustamante's draft Code of Private International Law, which was the basis of the discussions of the Congress of Jurists which met in the present year at Rio de Janeiro, makes foreign arbitral awards enforceable in the same manner as judgments of the ordinary courts. This, however, is only a draft prepared for the American nations which have become parties to the conventions for the codification of international law.

4. In *Bulgaria*, the law considers as final an arbitral award which has not been attacked before the competent jurisdiction within the period provided for and which therefore can no longer be annulled.

5. *Denmark*.—There is no legal definition of the term "final award" in Danish law. Under Danish law, this term is understood to mean an arbitral award the validity of which, in accordance with the consent of the parties, cannot be called in question before another authority.

6. *Estonia*.—Under the Estonian Law of Civil Procedure, an award may be considered as final not merely where it is no longer open to an appeal or an application to quash it on the ground of a mistake in law (*cassation*), but also in the case where an appeal is not possible, although an application on the ground of mistake in law remains admissible.

7. *Germany*.—Under German law, an award duly signed by the arbitrators, notified to the other party and filed with the competent court is always final unless the text of the submission to arbitration itself contemplates the possibility of appeal to a superior arbitration tribunal.

8. *Great Britain*.—In the view of His Majesty's Government, the expression "final" would apply to an award if, upon the face of it, it determined the rights of the parties with regard to the dispute submitted to the arbitral tribunal. The mere fact that the time during which an application to set it aside could be made to the court had not expired would not affect this question. According to the law of England, an award may be stated in the form of a special case, that is to say, the arbitral tribunal may state its award in an alternative form subject to the opinion of the court on specified points of law. Such an award as this obviously does not determine the rights of the parties, as it is made in an alternative form. In this case the award would become final as soon as the court had dealt with the question referred to it, notwithstanding the fact that an appeal is made to the Court of Appeal from the decision of the court of first instance. That this is the correct view seems to be borne out by Article 3 of the draft Protocol, which provides that the court before which it is sought to enforce the award may adjourn such an application pending an application to a court of the country where the award was made to have it annulled, set aside, or remitted to the arbitral tribunal.

9. *India*.—An award will be final for the purpose of Article 1 (*d*) of the draft Protocol if, on the face of it, it purports to determine the rights of the parties. Further, an award is none the less final within the meaning of the article because it may be possible at a later date to take proceedings to have it annulled, set aside, or remitted to the Arbitral Tribunal.

10. *Japan*.—Under Japanese law, an arbitral award becomes final when a copy, certified to be in conformity with the original text of the award to which the arbitrators have affixed their signatures and seals, is served on the parties to the dispute and when the original text is deposited in the registry of the competent court (Articles 799 and 800 of the Law on Civil Procedure). The enforcement of an award will not, however, be authorised should grounds exist for submitting an application to have the award annulled (Articles 801 and 802 of the Law on Civil Procedure).

11. *Netherlands*.—The Government of the Netherlands, in reply to the request to explain the sense of the expression "a final award" under the law of the Netherlands, begs to refer to Articles 641, 646 and 648 of the Code of Civil Procedure.

Article 641 states that no opposition may be raised to any arbitral award; Article 646 excludes any appeal unless there is a contrary provision in the submission to arbitration; Article 648 forbids an application to quash the award on the ground of a mistake in law (*cassation*) and the procedure known as the *requête civile*, even though the parties have reserved rights to this effect. Under Netherlands law, an arbitral award is therefore, in principle, a final award so soon as the copies signed by the arbitrators have been communicated to the parties.

12. *Norway*.—Under Norwegian law, an arbitral award made in conformity with the rules prescribed by that law is considered final when it has been read in public or, if not read in public, has been signed by the arbitrators, unless the parties have reserved the right to have recourse to another arbitral tribunal. The conditions in which the award of such latter tribunal would become final are the same.

13. *Sweden*.—In the sense which the character of finality of an arbitral award appears to bear in the draft, this character is to be considered as conferred on the award by the mere fact that it has been made. Nevertheless, it must be observed that, if the award is affected by certain irregularities in the procedure, the interested party may claim its annulment within ninety days from the date of its being notified to him. In default, however, of an express decision of the competent court, proceedings taken for that purpose do not prevent the enforcement of the award.

14. *Switzerland*.—Since the cantons possess the right of legislation in the matter of civil procedure, it is the cantonal law which determines when an award is final. Great diversity prevails in this matter.

In the first place, as regards the requirements of form which are necessary to render an award final : certain cantons are satisfied with notification of the award to the parties; others require the award to be filed with the competent court; in a third category of cantons, a special order of the proper judicial authority is necessary.

The principal source of the diversity which has been mentioned is, however, the fact that the cantonal laws of civil procedure differ considerably as regards recourse to the courts against arbitral awards :

(1) The law of some cantons (Uri, Unterwald-le-Bas, Zug, Bâle-Ville, Appenzell, Rhodes Extérieures et Rhodes Intérieures and Thurgovie) does not provide for any recourse against arbitral awards, or at most provides for their revision. In these cases, there is nothing to prevent the award being final at once, provided that the requirements of form have been observed.

(2) In four cantons (Friburg, Tessin, Valais and Geneva) an appeal lies against an arbitral award. The award does not become final until the expiry of the period during which the parties may appeal.

(3) Almost all the cantons, with the exception of those mentioned under (1) above, allow an application to quash the award on the ground of mistake of law (*recours en cassation*, also called *recours en nullité*). It appears doubtful whether an award can be considered as final so long as such an application is possible. The civil procedure codes of the cantons of Lucerne, Argovie, St. Gall, Vaud and Neuchâtel contain provisions under which awards are not enforceable until the expiry of the period during which the kind of application in question can be made. In other cantons, on the other hand, enforcement of an award can be claimed even before this period has expired. Does this imply that awards made in these cantons should be considered as final within the meaning of Article 1, letter (d), of the draft Protocol, even while they are open to be attacked by an application to quash them? The Federal Government inclines rather to reply in the negative.

A.II/23/1927.

ANNEX 2a.

OPENING OF A CONVENTION RELATING TO THE EXECUTION OF FOREIGN ARBITRAL AWARDS.

REPORT AND DRAFT RESOLUTION BY DR. LEITMAIER (AUSTRIA).

In its report of April 1927 to the Economic Committee, the Committee of Legal Experts explained the purpose of its work as follows :

“ The Protocol on Arbitration Clauses which has been open for signature since September 24th, 1923, lays down, subject to certain specified conditions, that each of the contracting States shall recognise submissions to arbitration concluded between parties subject respectively to the jurisdiction of different contracting States. It stipulates, in the first place, that the existence of a submission to arbitration precludes recourse to the courts of either of the contracting States and, in the second place, that each contracting State undertakes to ensure the execution, by its authorities and in accordance with the provisions of its national laws, of awards made in its own territory under such a submission.

“ On the other hand, the Protocol of 1923 contains no provisions at all regarding the enforcement of awards made in foreign countries.

“ This omission was noted in the report submitted by the Economic Committee to the Council of the League of Nations in September 1926.

“ After having : (1) recognised the validity of the submission to arbitration in private international relations, and (2) provided for the enforcement of the arbitral award in the State where it was made, a third aim should be pursued, namely, to ensure the international effect of such an award.”

Such is the problem which the experts have endeavoured to solve by means of a draft Protocol, which has been submitted, in accordance with a Council resolution, to all the Members of the League in order to give them an opportunity of submitting their observations.

At the time when it passed this resolution, the Council also decided to place on the Assembly's agenda the question of opening such a Protocol.

On this question being referred to it, the Second Committee appointed a Sub-Committee of Jurists and asked it to examine the observations submitted by the Governments and to settle the terms of a draft which would, as far as possible, take into account the various views expressed. This Sub-Committee unanimously arrived at the conclusion that you should be recommended to open a Convention worded according to the text which is now before you.

Before explaining to you its mechanism and the reasons underlying its provisions, I should like to say a few words as to the importance which should be attached to the question. Recourse to arbitration for settling disputes arising out of contracts concluded between parties of different nationalities is becoming more and more frequent. This fact did not escape the International

Economic Conference. The latter, as you are aware, unanimously adopted very specified recommendations on this point¹.

In taking the course which I propose, the Assembly will therefore only be continuing the work, begun four years ago, whilst at the same time it will be carrying out the wish so clearly expressed by the Economic Conference.

I now come to what I may call the technical part of my report.

The Committee of Experts gave its draft the form of a Protocol open to the signature of States; this was the form already employed for the Protocol on Arbitration Clauses, which was opened for signature at Geneva on September 24th, 1923.

The British Government pointed out that, in the form in which it stood, this draft might give rise to difficulties due to the peculiar constitution of the British Empire. It recommended the form of a Convention enumerating in its preamble the heads of States participating therein and their plenipotentiaries. The Sub-Committee has adopted this suggestion.

The Convention will remain open for the signature of countries. They may give this signature at any time they choose.

At the request of the British delegation, and in consideration of the fact that the system laid down in the Convention would not always apply to all the territories of a given State, the Sub-Committee has had to modify the terms employed in various clauses of the draft. Thus, in the new draft, reference is made to the territories to which the Convention applies, to the country in which the award is made, etc.; these expressions are sufficiently elastic to cover the complex situations which may arise in the British Empire, in federal States, etc.

As regards the contents of the draft, the Sub-Committee had to consider the very important observations of the Netherlands Government that the Committee's draft differed materially from that adopted by the Conference on International Private Law held at The Hague in 1925. The Hague scheme, taking into account the fact that the arbitral award has in the country in which it was made the same effect as a judgment, provides for it the same means of enforcement abroad as in the case of a judgment. By this system the power of the judge of the country where it is sought to enforce the award is reduced to a minimum. The draft of the Committee of Experts takes no account of whether the arbitral award has or has not the same force as a judgment in the country in which it was made; it regards the arbitral award itself as founded upon the submission to arbitration, which is a private agreement; hence it is led to admit a much wider power of control on the part of the courts of the country in which the award is sought to be enforced.

This divergence between the systems by no means implies a criticism of the Hague draft by the Committee of Experts. It is explained by the fact that the circumstances considered are different. The Hague draft begins by dealing with the recognition and enforcement of foreign judgments; this starting-point greatly facilitates the recognition and enforcement abroad of arbitral awards when they have the same force in the country in which they were made as judicial decisions. The Committee's draft must, on the other hand, be made to apply even between countries which grant each other no special facilities for the enforcement of their respective judgments.

It should be added that the Hague scheme is intended to serve as a model for bilateral treaties, whilst the present draft is intended for a collective agreement; and in a Convention of this latter sort every possible precaution must be taken. This collective agreement, moreover, does not preclude the conclusion of bilateral treaties.

The fact remains that the Hague scheme tends to make the enforcement of arbitral awards easier than the present draft. The utility of the latter—one may almost say, the necessity for it—is not affected on that account. It is an acknowledged fact, to which the Committee of Experts drew attention in its report, that the 1923 Protocol, for want of providing for the enforcement of arbitral awards abroad, sometimes leads to a denial of justice. This is an omission which must be supplied.

The Sub-Committee's study of the observations of the Netherlands Government confirmed it in the belief, expressed by the Committee of Experts, that only the recognition and enforcement of arbitral awards given in virtue of a submission to arbitration covered by the 1923 Protocol should be dealt with. It therefore did not adopt the Swedish Government's suggestion that the proposed agreement should be open to States which had not signed and ratified the 1923 Protocol. In its opinion, the proposed Convention should be regarded as complementary to the 1923 Protocol.

The preamble of Article 1 defines the arbitral awards to which the Convention will be applicable. According to this text it is necessary :

- (1) That the award should have been made in pursuance of a submission to arbitration covered by the 1923 Protocol;
- (2) That it should have been made in a territory of one of the contracting parties to which the new Convention applies;
- (3) That it should have been made between persons subject to the jurisdiction of a State or Member of the League of Nations which is a party to the new Convention.

In compliance with a request of the Danish Government, which pointed out that in certain countries the procedure was not completely governed by a "law", the Sub-Committee substituted,

¹ Resolutions of the Committee of Commerce : (I) Liberty of Trade; (III) Legal Provisions or Regulations relating to International Trade.

in this preamble and in various provisions, the words "in accordance with the rules of procedure" for the words "in accordance with the law".

The Sub-Committee has thought it advisable to maintain the provision (Article 1(a)) to the effect that the award must have been made "in pursuance of a submission to arbitration which is valid under the law applicable thereto". The German Government proposed a clause specifying what this law was. The Sub-Committee realised the importance of such a definition for the court which was asked to enforce a foreign arbitral award. But it considered that no definition could be given in a simple formula and that it involved the most intricate problems of private international law. The exact determination of the law applicable to the submission to arbitration would rather be a matter for the Hague Conference on Private International Law than for this Sub-Committee. The latter therefore refrained from making any definition, so that the court in each particular case will have to discover what this law is by applying the rules regarding the conflict of laws.

The Sub-Committee, on the other hand, added to the clause requiring that the award should have become final in the country in which it was made (Article 1(d)). The Italian Government observed that it would be necessary to define the meaning of these words. The difficulty of doing so was due to the diversity of the laws regarding the means of redress. A general phrase based on the distinction between ordinary and extraordinary means of redress did not seem to take sufficient account of this diversity. The draft explains the final character of an award by saying that the award has not this character if it is open to *opposition*, *appel* or *pourvoi en cassation*. But as this formula is not suitable to awards made in countries which do not possess these means of redress with relation to arbitral awards, it was necessary to add, as regards all awards, that they would not be considered as final if any proceedings for the purpose of contesting the validity of the award, e.g., an action for annulment, were pending. Naturally, in countries in which the *pourvoi en cassation* is possible, this term, which is employed in the provision in question, will include *le recours en revision*, which obtains in certain systems of law.

The Sub-Committee held that, from the particular point of view from which it was dealing with the question, it was necessary to consider the final character of the award, and not its executory character in the country in which it was made. On this point it did not adopt the opposite view, put forward in particular by the Estonian Government. The reasons which led the Committee of Experts not to require that the award should be executory in the country where it was made appeared to the Sub-Committee to be conclusive.

The Sub-Committee carefully examined the case in which an award does not cover all the matters submitted to the arbitrator. It may happen in such a case that the award deals with the claim of one party without deciding on the counterclaim of the other party, and if so, it would appear desirable that such an award, so long as it remains "partial", should not be enforced abroad, because the decision on the counter-claim may cancel the effect of the first decision. Again, the award may give a decision on a part only of the claim, because the arbitrator finds this part to be proved, whilst another part of the claim may be reserved on the ground that it calls for fuller consideration. In such a case it would appear desirable, inasmuch as this "partial" award has full validity *per se*, that it should be enforced immediately. The Sub-Committee considered that a satisfactory solution would be to give the authority of the country in which enforcement is sought the option of postponing recognition or enforcement, or of granting it subject to a guarantee. This authority may, of course, order a "partial" award to be enforced or not, at its discretion. Further, if the submission to arbitration authorised the arbitral tribunal to make a partial award where this is in conformity with the law applicable to arbitration procedure, the enforcement of the award may naturally not be refused on the ground that it is "partial". Moreover, it appeared unnecessary to introduce a clause to cover the case in which the losing party has already satisfied the award and would be discharged therefrom, for example, by payment.

By the provision in the preamble to Article 2 of the draft Convention that "recognition and enforcement of the award shall be refused" in the cases covered by that article, all that is meant is that in such cases the authorities of the country where it is sought to enforce the award are not bound to secure recognition and enforcement. Under the terms of this text, recognition and enforcement are admissible even in these cases if such recognition and enforcement are allowable under the law or treaties of the country concerned (Article 5).

Certain modifications have been made in the drafting of Article 3 for the sake of greater precision and to take account of the new provisions in Article 1(d). The Sub-Committee did not accept the British proposal to authorise the tribunal to grant a party time to "have the award remitted to the arbitrator". In the first place, it is unnecessary to indicate in the Convention the remedy open to the party, and, secondly, the remedy proposed is not to be found in the law of all countries.

With regard to the documents which have to be supplied, the Sub-Committee indicated, by an addition to the preamble to Article 4, that the article in question was descriptive in character, and not exhaustive. It accepted a proposal by the German delegation to the effect that a translation of these documents may be demanded. Naturally, this requirement may be omitted by special agreements between Governments.

The Sub-Committee, however, rejected another proposal by the German Government for the production of an official document certifying that the award had become final. The Sub-Committee, whilst recognising the importance of this suggestion, shared the opinion of the Committee of Experts that a stipulation of this kind could not be inserted in a collective Convention.

The Swiss delegation suggested that the Convention should apply only to arbitral awards made after this Convention had come into force. Conflicting opinions were expressed on this point, and a middle course was adopted. This Convention will only apply to awards made after the coming into force of the 1923 Protocol. As the date of this entry into force will be different

for different countries, account will have to be taken in each case of the date of the entry into force for the country concerned.

The "protocol" clauses (Article 7 *et seq.*) have been slightly modified, partly on account of the difference of form between a Convention and a Protocol, and partly to take account of the observations of the British delegation regarding drafting formulas which are appropriate to the organisation of the British Empire.

At the request of the British delegation, it was also recognised that the Convention should not apply to the colonies, protectorates or territories under suzerainty or mandate of any of the high contracting parties unless they were specially mentioned, but it could be rendered applicable to them by a declaration to that effect (Article 10).

* * *

Having given the above explanations, I have the honour, for the reasons already given at the beginning of my report, to propose the following resolution :

"Whereas the World Economic Conference recommended the Economic Committee to endeavour to promote the extension in all countries of recourse to commercial arbitration;

"Whereas, in connection with that recommendation, the Conference was of opinion that the beneficial results of the Protocol of September 24th, 1923, in regard to the recognition of arbitration clauses in private contracts, and particularly in commercial contracts, would not be fully realised until provision was made ensuring the enforcement of arbitral awards;

"And whereas the Economic Conference recommended the Council of the League of Nations to take steps to submit to all States for signature at an early date the text of an agreement providing for the execution of arbitral awards in commercial matters :

"The Assembly,

"Recognising the great importance which commercial circles attach to the settlement of this question,

"And having regard to the favourable report submitted to it by the Second Committee after considering the various observations submitted and the various amendments proposed as a result of the communication of a first draft to the Members of the League :

"Decides to open the annexed Convention immediately for signature by all the Members of the League and non-Member States which are already Contracting Parties to the above-mentioned Protocol of 1923;

"And invites the Council to take whatever measures it may deem expedient to draw the attention of all Members of the League and all non-Member States to the value of the above-mentioned Protocol and Convention and to the conditions under which they may become Contracting Parties to these agreements."

Appendice.

CONVENTION POUR L'EXÉCUTION DES SENTENCES ARBITRALES ÉTRANGÈRES.

(Indication des Chefs d'État)

Signataires du Protocole relatif aux clauses d'arbitrage ouvert à Genève depuis le 24 septembre 1923,

Résolus à conclure une Convention en vue de compléter ce Protocole,

Ont désigné pour leurs plénipotentiaires, savoir :

(Indication des plénipotentiaires),

lesquels, après s'être communiqué leurs pleins pouvoirs, trouvés en bonne et due forme, sont convenus des dispositions suivantes :

Article premier.

Dans les territoires relevant d'une Haute Partie contractante auxquels s'applique la présente Convention, l'autorité d'une sentence arbitrale rendue à la suite d'un compromis ou d'une clause compromissoire visés au Protocole relatif aux clauses d'arbitrage, ouvert à Genève depuis le 24 septembre 1923, sera reconnue et l'exécution de cette sentence sera accordée,

Appendix.

CONVENTION ON THE EXECUTION OF FOREIGN ARBITRAL AWARDS.

(Description of the Heads of States)

Signatories of the Protocol on Arbitration Clauses opened at Geneva on September 24th, 1923,

Having resolved to conclude a Convention with the object of supplementing the said Protocol,

Have appointed as their Plenipotentiaries the following :

(Description of the Plenipotentiaries),

Who, having communicated their full powers, found in good and due form, have agreed on the following provisions :

Article 1.

In the territories of any High Contracting Party to which the present Convention applies, an arbitral award made in pursuance of an agreement, whether relating to existing or future differences (hereinafter called "a submission to arbitration"), covered by the Protocol on Arbitration Clauses, opened at Geneva on September 24th, 1923, shall be

conformément aux règles de procédure suivies dans le territoire où la sentence est invoquée, lorsque cette sentence aura été rendue dans un territoire relevant d'une Haute Partie contractante auquel s'applique la présente Convention et entre personnes soumises à la juridiction d'une Haute Partie contractante.

Pour cette reconnaissance ou cette mise à exécution, il sera nécessaire en outre :

a) Que la sentence ait été rendue à la suite d'un compromis ou d'une clause compromissoire valables d'après la législation qui leur est applicable;

b) Que, d'après la loi du pays où elle est invoquée, l'objet de la sentence soit susceptible d'être réglé par voie d'arbitrage;

c) Que la sentence ait été prononcée par le tribunal arbitral prévu par le compromis ou la clause compromissoire ou constitué conformément à l'accord des parties et aux règles de droit applicables à la procédure d'arbitrage;

d) Que la sentence soit devenue définitive dans le pays où elle a été rendue, en ce sens qu'elle ne sera pas considérée comme telle si elle est susceptible d'opposition, d'appel ou de pourvoi en cassation (dans les pays où ces procédures existent) ou s'il est prouvé qu'une procédure tendant à contester la validité de la sentence est en cours;

e) Que la reconnaissance ou l'exécution de la sentence ne soit pas contraire à l'ordre public ou aux principes du droit public du pays où elle est invoquée.

Article 2.

Même si les conditions prévues à l'article premier sont remplies, la reconnaissance et l'exécution de la sentence seront refusées si le juge constate :

a) Que la sentence a été annulée dans le pays où elle a été rendue;

b) Que la partie contre laquelle la sentence est invoquée n'a pas eu, en temps utile, connaissance de la procédure arbitrale, de manière à pouvoir faire valoir ses moyens ou, qu'étant incapable, elle n'y a pas été régulièrement représentée;

c) Que la sentence ne porte pas sur le différend visé dans le compromis ou rentrant dans les prévisions de la clause compromissoire ou qu'elle contient des décisions qui dépassent les termes du compromis ou de la clause compromissoire.

Si la sentence n'a pas tranché toutes les questions soumises au tribunal arbitral, l'autorité compétente du pays où est demandée la reconnaissance ou l'exécution de cette sentence pourra, si elle le juge à propos, ajourner cette reconnaissance ou cette exécution ou la subordonner à une garantie que cette autorité déterminera.

recognised as binding and shall be enforced in accordance with the rules of the procedure of the territory where the award is relied upon, provided that the said award has been made in a territory of one of the High Contracting Parties to which the present Convention applies and between persons who are subject to the jurisdiction of one of the High Contracting Parties.

For such recognition or enforcement, it shall, further, be necessary :

(a) That the award has been made in pursuance of a submission to arbitration which is valid under the law applicable thereto;

(b) That the subject-matter of the award is capable of settlement by arbitration under the law of country in which the award is sought to be relied upon;

(c) That the award has been made by the arbitral tribunal provided for in the submission to arbitration or constituted in the manner agreed upon by the parties and in conformity with the law governing the arbitration procedure;

(d) That the award has become final in the country in which it has been made, in the sense that it will not be considered as such if it is open to *opposition*, *appel* or *pourvoi en cassation* (in the countries where such forms of procedure exist) or if it is proved that any proceedings for the purpose of contesting the validity of the award are pending;

(e) That the recognition or enforcement of the award is not contrary to the public policy or to the principles of the law of the country in which it is sought to be relied upon.

Article 2.

Even if the conditions laid down in Article 1 hereof are fulfilled, recognition and enforcement of the award shall be refused if the court is satisfied :

(a) That the award has been annulled in the country in which it was made;

(b) That the party against whom it is sought to use the award was not given notice of the arbitration proceedings in sufficient time to enable him to present his case; or that, being under a legal incapacity, he was not properly represented;

(c) That the award does not deal with the differences contemplated by or falling within the terms of the submission to arbitration or that it contains decisions on matters beyond the scope of the submission to arbitration.

If the award has not covered all the questions submitted to the arbitral tribunal, the competent authority of the country where recognition or enforcement of the award is sought can, if it thinks fit, postpone such recognition or enforcement or grant it subject to such guarantee as that authority may decide.

Article 3.

Si la partie contre laquelle la sentence a été rendue établit qu'il existe, d'après les règles de droit applicables à la procédure d'arbitrage, une cause, autre que celles visées à l'article 1, *litteris a et c*, et à l'article 2, *litteris b et c*, qui lui permette de contester en justice la validité de la sentence, le juge pourra, s'il lui paraît à propos, refuser la reconnaissance ou l'exécution, ou les suspendre en donnant à la partie un délai raisonnable pour faire prononcer la nullité par le tribunal compétent.

Article 4.

La partie qui invoque la sentence, ou qui en demande l'exécution doit fournir notamment:

1^o L'original de la sentence ou une copie réunissant, d'après la législation du pays où elle a été rendue, les conditions requises pour son authenticité;

2^o Les pièces et renseignements de nature à établir que la sentence est devenue définitive, dans le sens déterminé à l'article 1, *littera d*, dans le pays où elle a été rendue;

3^o Le cas échéant, les pièces et renseignements de nature à établir que les conditions prévues à l'article 1, alinéa 1, et alinéa 2, *litteris a et c*, sont remplies.

Il peut être exigé de la sentence et des autres pièces mentionnées dans cet article une traduction faite dans la langue officielle du pays où la sentence est invoquée. Cette traduction doit être certifiée conforme par un agent diplomatique ou consulaire du pays auquel ressortit la partie qui invoque la sentence ou par un traducteur assermenté du pays où la sentence est invoquée.

Article 5.

Les dispositions des articles précédents ne privent aucune partie intéressée du droit de se prévaloir d'une sentence arbitrale, de la manière et dans la mesure admises par la législation ou les traités du pays où cette sentence est invoquée.

Article 6.

La présente Convention ne s'applique qu'aux sentences arbitrales rendues après la mise en vigueur du Protocole relatif aux clauses d'arbitrage ouvert à Genève depuis le 24 septembre 1923.

Article 7.

La présente Convention, qui restera ouverte à la signature de tous les signataires du Protocole de 1923 relatif aux clauses d'arbitrage, sera ratifiée.

Elle ne pourra être ratifiée qu'au nom de ceux des Membres de la Société des Nations et des États non membres pour le compte desquels le Protocole de 1923 aura été ratifié.

Article 3.

If the party against whom the award has been made proves that, under the law governing the arbitration procedure, there is a ground, other than the grounds referred to in Article 1 (*a*) and (*c*), and Article 2 (*b*) and (*c*), entitling him to contest the validity of the award in a court of law, the court may, if it thinks fit, either refuse recognition or enforcement of the award or adjourn the consideration thereof, giving such party a reasonable time within which to have the award annulled by the competent tribunal.

Article 4.

The party relying upon an award or claiming its enforcement must supply, in particular :

(1) The original award or a copy thereof duly authenticated according to the requirements of the law of the country in which it was made;

(2) Documentary or other evidence to prove that the award has become final, in the sense defined in Article 1 (*d*), in the country in which it was made;

(3) When necessary, documentary or other evidence to prove that the conditions laid down in Article 1, paragraph 1, and paragraph 2 (*a*) and (*c*), have been fulfilled.

A translation of the award and of the other documents mentioned in this article into the official language of the country where the award is sought to be relied upon may be demanded. Such translation must be certified correct by a diplomatic or consular agent of the country to which the party who seeks to rely upon the award belongs or by a sworn translator of the country where the award is sought to be relied upon.

Article 5.

The provisions of the above articles shall not deprive any interested party of the right of availing himself of an arbitral award in the manner and to the extent allowed by the law or the treaties of the country where such award is sought to be relied upon.

Article 6.

The present Convention applies only to arbitral awards made after the coming into force of the Protocol on Arbitration Clauses opened at Geneva on September 24th, 1923.

Article 7.

The present Convention, which will remain open to the signature of all the signatories of the Protocol of 1923 on Arbitration Clauses, shall be ratified.

It may be ratified only on behalf of those Members of the League of Nations and non-Member States on whose behalf the Protocol of 1923 shall have been ratified.

Les ratifications seront déposées aussitôt que possible auprès du Secrétaire général de la Société des Nations, qui en notifiera le dépôt à tous les signataires.

Article 8.

La présente Convention entrera en vigueur trois mois après qu'elle aura été ratifiée au nom de deux Hautes Parties contractantes. Ultérieurement, l'entrée en vigueur se fera pour chaque Haute Partie contractante trois mois après le dépôt de ses ratifications auprès du Secrétaire général de la Société des Nations.

Article 9.

La présente Convention pourra être dénoncée au nom de toute Haute Partie contractante. La dénonciation sera notifiée par écrit au Secrétaire général de la Société des Nations, qui communiquera immédiatement copie certifiée conforme de la notification à toutes les autres Parties contractantes en leur faisant savoir la date à laquelle il l'aura reçue.

La dénonciation ne produira ses effets qu'à l'égard de la Haute Partie contractante qui l'aura notifiée et un an après que la notification en sera parvenue au Secrétaire général de la Société des Nations.

La dénonciation du Protocole relatif aux clauses d'arbitrage entraînera de plein droit la dénonciation de la présente Convention.

Article 10.

L'effet de la présente Convention ne s'étend pas de plein droit aux colonies, protectorats ou territoires placés sous suzeraineté ou mandat d'une Haute Partie contractante.

L'extension à l'un ou plusieurs de ces colonies, protectorats ou territoires auxquels le Protocole relatif aux clauses d'arbitrage, ouvert à Genève depuis le 24 septembre 1923, est applicable pourra à tout moment être effectuée par une déclaration adressée au Secrétaire général de la Société des Nations par une des Hautes Parties contractantes.

Cette déclaration produira effet trois mois après son dépôt.

Les Hautes Parties contractantes pourront à tout moment dénoncer la Convention pour l'ensemble ou l'un quelconque des colonies, protectorats ou territoires visés ci-dessus. L'article 9 est applicable à cette dénonciation.

Article 11.

Une copie certifiée conforme de la présente Convention sera transmise par le Secrétaire général de la Société des Nations à tout Membre de la Société des Nations et à tout État non membre signataire de ladite Convention.

En foi de quoi, les plénipotentiaires susnommés ont signé la présente Convention.

FAIT à Genève, le
en un seul exemplaire, dont les textes anglais et français feront également foi, et qui restera déposé dans les archives de la Société des Nations.

Ratifications shall be deposited as soon as possible with the Secretary-General of the League of Nations, who will notify such deposit to all the signatories.

Article 8.

The present Convention shall come into force three months after it shall have been ratified on behalf of two High Contracting Parties. Thereafter it shall take effect in the case of each High Contracting Party three months after the deposit of the ratification on its behalf with the Secretary-General of the League of Nations.

Article 9.

The present Convention may be denounced on behalf of any High Contracting Party. Denunciation shall be notified in writing to the Secretary-General of the League of Nations, who will immediately send a copy thereof, certified to be in conformity with the notification, to all the other Contracting Parties, at the same time informing them of the date on which he received it.

The denunciation shall come into force only in respect of the High Contracting Party which shall have notified it and one year after such notification shall have reached the Secretary-General of the League of Nations.

The denunciation of the Protocol on Arbitration Clauses shall entail, *ipso facto*, the denunciation of the present Convention.

Article 10.

The present Convention does not apply to the colonies, protectorates or territories under suzerainty or mandate of any High Contracting Party unless they are specially mentioned.

The application of this Convention to one or more of such colonies, protectorates or territories to which the Protocol on Arbitration Clauses opened at Geneva on September 24th, 1923, applies can be effected at any time by means of a declaration addressed to the Secretary-General of the League of Nations by one of the High Contracting Parties.

Such declaration shall take effect three months after the deposit thereof.

The High Contracting Parties can at any time denounce the Convention for all or any of the colonies, protectorates or territories referred to above. Article 9 hereof applies to such denunciation.

Article 11.

A certified copy of the present Convention shall be transmitted by the Secretary-General of the League of Nations to every Member of the League of Nations and to every non-Member State which signs the same.

In faith whereof, the above-named Plenipotentiaries have signed the present Convention.

DONE at Geneva, on the
in a single copy, of which the English and French texts are both authentic, and which will be kept in the archives of the League of Nations.

A.II/14/1927.

ANNEX 2b.

SUB-COMMITTEE OF JURISTS TO STUDY THE QUESTION OF THE EXECUTION
OF FOREIGN ARBITRAL AWARDS.

LIST OF JURISTS APPOINTED BY THE DELEGATIONS TO CONSTITUTE
THE SUB-COMMITTEE.

- Austria* : Dr. LEITMAIER, Ministerial Councillor, Rapporteur to the Second Committee
British Empire : Mr. H. Cloughton SCOTT, K.C.
Bulgaria : His Excellency M. Wladimir MOLLOFF, Finance Minister.
Czechoslovakia : Dr. Vaclav HORA, Professor.
Denmark : M. Holger ANDERSEN, Member of Parliament.
Estonia : M. Oskar ÖPIK, Chargé d'Affaires at Kaunas.
Germany : Dr. VOLKMAR, Governmental Councillor.
India : Sir Edward Maynard des CHAMPS CHAMIER, K.C.I.E., Legal Adviser to the
Secretary of State for India.
Italy : His Excellency M. Vittorio SCIALOJA, or
M. Massimo PILOTTI, or
The Honourable Cesare TUMEDEI.
Japan : M. Nobumi ITO, Counsellor of Embassy.
Netherlands : M. Joseph LIMBURG, Member of the Council of State.
Poland : M. Szymon RUNDSTEIN, Legal Adviser to the Ministry for Foreign Affairs.
Switzerland : Professor Walther BURCKHARDT, Professor in the Faculty of Law at Berne.

Professor BASDEVANT, Professor at the Faculty of Law in Paris, Rapporteur of the Committee of Experts which drew up the draft Protocol submitted to the Assembly.

A.II/5/1927.

ANNEX 3.

WORK OF THE HEALTH ORGANISATION.

DRAFT REPORT BY SIR RAMASWAMI AYYAR (INDIA).

The reports presented to the present Session of the Assembly concerning the work of the Health Organisation of the League furnish a record of progress that is gratifying. I do not propose to take up your time with a description of the routine work of that Organisation. The scope and objects of this work have been fully described in reports to this session and to previous ordinary sessions of the Assembly and are well known to us all. I propose to-day to direct attention to a few aspects of work of special interest at the present time.

Since the last ordinary session of the Assembly a new Health Committee has been appointed. A welcome innovation has been the appointment of expert assessors, who take part in the work of the Committee in an advisory capacity. The appointment of assessors from countries as far distant from Geneva as Australia and Japan is further evidence of the tendency towards universality of the work of the Health Organisation which received favourable comment during our meetings last year.

The past year has seen a still further development of the Bureau of Epidemiological Intelligence at Singapore. The work of this Bureau has now become of administrative interest and importance not only to countries in the Far East, where the benefits are obvious, but also to all the many other countries having commercial relations with the East. Weekly telegraphic reports concerning the health conditions in no fewer than one hundred and thirty-seven ports of Asia, Australasia and the East Coast of Africa are despatched from the Bureau, and this information is broadcasted throughout this area from an increased number of wireless-telegraph stations. Movements of epidemic disease can thus be watched and studied, and measures taken in advance to repel invasion of infection.

The permanence of the Singapore Bureau, it is submitted, should be assured by the League, whose authorities should ensure its adequate financing. Especially worthy of remembrance is the circumstance that the activities of this Organisation form the chief visible link between Eastern countries and the League of Nations. That these countries—some of which, like India, are large contributors to the general budget and are in close touch with the work of the Singapore Bureau—appreciate this aspect of the League's work is evident

from their close co-operation with that work. Thus, for instance, India is represented on the Health Committee, to the mutual advantage, we are sure, of India and of the Health Organisation itself. The Government of India has not only sent Colonel Graham, its representative, to attend the meeting in January, but is co-operating by broadcasting the Bureau's weekly epidemiological reports.

The weekly distribution of the Singapore and other current epidemiological information of importance from the wireless station at Nauen in Germany is a still more recent development, which has proved of very great assistance to administrations in Europe and elsewhere during the influenza epidemic of the early months of this year. During the course of that outbreak, all European health administrations furnished the Health Organisation with weekly telegraphic summaries of the progress of the epidemic, which information was broadcasted twice a week from the Nauen station. The demonstration thus afforded of the capabilities of our Health Organisation to supply prompt and reliable information, in the event of the appearance of serious epidemic disease, has occasioned much favourable comment.

It is gratifying to know that a way has been found of utilising the efficient epidemiological intelligence work of our Health Organisation, including that of the Singapore Bureau, in discharging the obligations imposed on the Office international d'hygiène publique and on signatory Governments by the International Sanitary Convention of 1926.

The recent termination of the work of the International Sleeping-Sickness Commission deserves more than passing notice. It is another striking example of the widespread nature of the Health Organisation's activities. I am informed that the Commission has produced a report of very considerable scientific interest and importance, and that it has been able to put forward suggestions for international co-operation, by the administrations interested, in the control of a disease which is of vital public health and economic importance to large territories in Africa.

We have heard much in this Committee during previous years regarding the so-called "interchanges of public health officers", a system whereby health officers of many countries have been able to profit by the experience of other countries in handling health problems that are important to all. The interchange or study tour that is to begin in Germany during the course of the present month has features of special interest, and will be attended by as many as thirty officers holding important positions in the health administrations of almost as many countries.

Following the example of the interchange held in Japan in 1925, one is being arranged in India, with the active assistance of the local Governments, and great results are anticipated therefrom. It may not be out of place to emphasise that these interchanges furnish a conspicuous example of international co-operation and emphasise and put into practice the ideals of universality embodied in the Covenant of the League. By this means and by the dissemination of intelligence as to epidemics and by research into epidemics, the administrations and the peoples of distant countries are brought into close touch with the central Organisation of the League, and the mutual benefit derivable from the contacts thus established cannot be over-estimated.

An interesting development growing out of this system of study tours has been the organisation of international health courses. These courses last about seven weeks. They consist of lectures, discussions and practical demonstrations at which the working of public health and sanitary institutions and sanitary engineering plants are thoroughly explained. The subjects dealt with cover a large range, special prominence being given to public health problems of present-day importance and to the development of public health science and research.

These courses afford an opportunity to health officers belonging to many administrations of hearing the views of prominent experts regarding such matters. The first of such courses was held in Paris in the early months of this year, and a second course will be held in London in November and December. In Paris, all the lectures were delivered in French; in London, the course will be held in English.

The Malaria Commission has recently published a general report, which illustrates the value of this Commission's work to the many countries in which malaria is so prevalent a cause of ill-health. The Commission has made extensive tours throughout all countries in Europe in which malaria presents problems of public health importance, and in Syria and Palestine. Two members of the Commission have recently paid a visit to the United States of America. The opportunity afforded by these tours for discussion between the prominent experts forming our Commission and the malaria experts of the countries visited concerning problems of great local importance have been of the utmost value. Our Health Committee continues to receive requests for advice concerning malaria problems, and, through its Malaria Commission, it has recently been able to render signal service to Bulgaria. Reference should also be made to the malaria courses that have been organised by the Health Organisation at the Faculty of Medicine, Paris, the London School of Hygiene and Tropical Medicine and at the Institute of Maritime and Tropical Medicine, Hamburg. A laboratory course of some four weeks' duration at one or the other of these institutes is followed by two months' work in certain malaria districts of Italy, Spain and the Kingdom of the Serbs, Croats and Slovenes, during which those taking the course have an opportunity of seeing and helping in anti-malaria work there being carried out. The expenses incurred by attendance at these malaria courses for a necessarily limited number of medical officers engaged in malaria work in Government employ in different countries is a charge against our Health

Organisation budget, and an increasing number of applications received for attendance at these courses is evidence of their great utility.

Another excellent example of the manner in which a League technical organisation can secure collaboration in dealing with scientific problems is afforded by the International Rabies Conference, which was held in Paris in April 1927. Hydrophobia, though nowhere an important cause of mortality in comparison with that occasioned by epidemic disease, is nevertheless in certain countries a problem of great practical importance. Since Pasteur discovered the preventive treatment that bears his name, institutes for the treatment of persons bitten by rabid animals have sprung up all over the world. Modifications have gradually been introduced into the treatment as instituted by Pasteur, so that at the present time very divergent methods are employed. The Conference arranged by the Health Organisation afforded the first opportunity there has been for directors of institutes from all parts of the world to meet and compare experiences of the results obtained with the various modifications of the original Pasteur method that are in use in their laboratories. The technical discussions that took place were of the greatest possible value, and the report of the Conference will be an authoritative statement regarding many difficult scientific problems and will tend towards increased efficiency.

In conclusion, I would refer to two important activities of the Health Organisation which originated in resolutions of the Assembly—enquiries into infant mortality and health insurance respectively.

Several aspects of the study of health insurance are of interest to the International Labour Office, and consequently the Expert Commission which is entrusted with this study consists of twelve members, half of whom were nominated by the Governing Body of the International Labour Office and half by our Health Committee. This Commission, at its first meeting in Geneva in April 1927, decided on a programme of enquiry into certain aspects of public health and social insurance, from the point of view of preventive medicine, in certain selected countries. The personnel charged with each of these enquiries is representative of both the public health and the social aspects of insurance. In view of the great interest with which questions of health insurance are being considered in many countries at the present time, the results of this study will be looked forward to with special interest.

The infant welfare enquiry is likewise in the hands of an Expert Commission, nominated by our Health Committee, the members of which have been selected in view of their special competence in this branch of public health work. The enquiry that is now being carried out, on exactly comparable lines, in seven European countries (in areas with high and low infant-mortality rates respectively and in urban and rural districts), into the immediate and contributing causes of all infant deaths occurring in such areas is being extended to certain Latin-American countries on exactly comparable lines. The results of this investigation can hardly fail to contribute to a saving of life and to the betterment of the physical conditions of generations yet to come.

A.II/4/1927.

ANNEX 4.

RESULTS OF THE MISSION CARRIED OUT IN CERTAIN LATIN-AMERICAN COUNTRIES BY THE PRESIDENT OF THE HEALTH COMMITTEE.

DRAFT REPORT BY PROFESSOR CALVO MACKENNA (CHILE).

Although a recent development, the participation of the League of Nations in the public health activities of South America already promises to be fruitful. Preventive medicine, by its very nature, embraces the entire human race and recognises no nationalities or frontiers; and the work of the Health Organisation, such as has been approved by the Assembly, is of fundamental importance. Countries which geographically are far distant from the seat of the League of Nations realise this more than others, and they recognise in this high tribunal the most generous of collaborators and the most competent of advisers.

As a member of the international group of experts in child welfare which met at Montevideo in June 1927 to study the medico-social causes of infant mortality in Latin-American countries, I had the pleasure of seeing something of the work of the President of the Health Committee, Professor T. Madsen, who, accompanied by the Medical Director, Dr. Rajchman, was good enough to take the chair at our meetings.

The problems of infant mortality were the main object of the journey to Latin America of these eminent health experts, but their powers of observation gave them deep insight into general health conditions. Suggestions were submitted, ideas were co-ordinated and several plans of real continental importance were proposed. The League of Nations, in agreement with the Governments concerned, may be able to transform these plans into great realities. A reference to these will be made later.

1. The campaign against infant mortality is of special importance to Latin-American countries. If one considers the great area of certain of these countries and their sparse population, the importance of the loss in human capital caused by high infant-mortality rates will be appreciated. How much greater and more rapid the prosperity of these nations might be if a

homogeneous population took root on the land which gave it birth and thus facilitated the growth of its industries, agriculture and commerce.

On this continent, as elsewhere, it was primarily private enterprise which created and maintained numerous organisations for child welfare. These organisations have steadily become more efficient and to-day they are trying to fill the rôle of public health and social institutions. Nevertheless, in spite of the modernisation of their programmes of work and in spite of attention paid to preventive measures, they are still too widely scattered and their activities lack cohesion.

Moreover, they were not all designed for the handling of large problems : they have been engaged in dealing with immediate dangers of obvious urgency. These considerations, together with other similar ones which my colleagues will readily understand, explain the enthusiasm with which the Latin-American experts responded to the invitation of the League of Nations and attended the Conference at Montevideo.

Delegates from Argentine, Bolivia, Brazil, Chile, Paraguay and Uruguay were thus enabled to make a detailed study of their national problems relating to child welfare, and, approving the procedure accepted by their European colleagues, they adopted plans for investigations which are to be carried out in 1928. The purpose of this study will be to determine with the greatest possible exactitude the main medical and social causes both of still-births and of mortality among children under one year of age. As in the case of the investigations in Europe, it was considered necessary to carry out these investigations in both urban and rural areas, comprising localities with high- and low-mortality rates in both groups. It is thus hoped to arrive at conclusions on which it will be possible to base, as rapidly and widely as possible, effective prophylactic measures against infant diseases.

In order to obtain results that can be compared as between the different countries, it is obvious that uniformity of method is essential. It was therefore decided to propose that the member of the Health Section of the Secretariat of the League of Nations who is responsible for co-ordinating the investigations in Europe should undertake a similar work in the South American countries.

It was also decided to convene the Latin-American experts during the first half of the year 1928 for an exchange of views on the results that will by then have been obtained and on the possibility of improving the method of enquiry.

It is interesting to recall, in this connection, that the Montevideo meeting was the first Conference held by the League of Nations in a Latin-American country, and it is gratifying to note that the inauguration of the work of this Conference was made the occasion of an official ceremony in the presence of His Excellency the President of the Republic and presided over by the Minister of Industry. These circumstances show the importance which the Government of Uruguay attributed to this Conference.

2. Thanks to the initiative of the Health Committee of the League of Nations, the lot of the Latin-American child will certainly be much improved when each country has determined, with a view to remedying them, the main social-medical causes of infant mortality in its urban centres and rural districts. But the efficiency with which these measures will be undertaken and their success are directly dependent on the quality and the degree of training of the staff which will be entrusted with their execution and supervision. Mindful no doubt of such considerations as these, Professor Araoz Alfaro, member of the League Health Committee, has suggested, with the support of the Argentine Government, the establishment at Buenos Aires, under the auspices of the League of Nations, of an international health centre for infant welfare. It would provide training facilities for a staff capable of dealing in an efficient fashion with child welfare in Latin-American countries.

This school would also co-ordinate the work of the various magnificent institutions which have been established in the Argentine capital by the State and the municipality with the work of private organisations and of the very remarkable Welfare Society. It would be placed under the presidency of the Argentine member of the Health Committee, who could submit to our Committee an annual report dealing with the activity of the school during the past year and the programme of studies for the coming year. But since education is only one stage in developing the practical work to be done, the Argentine Federal health authorities desire at the same time to establish dispensaries and welfare centres in those provinces where infant mortality has not yet reached the low rate of the principal towns and which receive immigrants from overseas. For this purpose, the Federal authorities are counting on the support of the provincial Governments and municipalities.

We could profit by the so-called system of "interchanges of public health personnel", which is well known to you and the usefulness of which has been described in remarkable fashion by our colleague from British India, to give the Argentine undertaking an international character. If scholarships could be granted to Latin-American doctors of countries other than the Argentine, to enable them to follow the course of higher education which would be given at the centre in question, and also to pass a period of training in the treatment and prevention stations, and if experts from other countries could be invited by our Health Committee to give courses of lectures or to study there, a real centre for international technical collaboration might be established.

Perhaps one day some other Latin-American country will offer to create a centre complementary to that proposed by the Argentine authorities, for it is important that the public health experts who deal with infant welfare should be effectively supported not only by visiting-nurses but also by social workers. If, in the future, a Social Welfare School could be of service in a Latin-American capital, and if this could be in Chile, I believe that the delegation of my country would be very pleased to ensure, by means of the school established at Santiago, fruitful collaboration with the Health Committee of the League.

3. The work of the Health Committee could be still further turned to advantage by the Latin-American countries if the League of Nations could take under its auspices the higher education

in health which was organised two years ago at Rio de Janeiro and so endow it with the same international character as the courses organised this year by the Health Committee in Paris and London. This school could be based on the magnificent Research Institute founded by Oswaldo Cruz at Rio de Janeiro and directed with so much scientific ability by Professor Carlos Chagas, member of the Health Committee of the League of Nations.

The training of public health experts and of a health staff is essential to the economic development of our countries. Public health is not only the technical application of modern experience in preventive medicine—it is also the improvement of the conditions of economic life. Our public health experts are pioneers who ensure the exploitation of our wealth and enable people to enjoy the natural resources with which we are so richly endowed.

My colleagues will thus readily understand the capital importance of giving this national army of "scouts" an adequate technical training—a training which can only be provided by institutions of recognised technical standing. Numerous public health specialists from our countries have already profited by the interchange system of the League and, if I am not mistaken, forty-two of them, belonging to fifteen different countries, holding League of Nations scholarships, have been able to study in North America and in various European countries.

The Brazilian proposal would enable us to allow other Latin-American countries to benefit by the excellent training given by the Oswaldo Cruz Institute and the experience it has already acquired. I fear it will not be possible for our Health Committee to invite many lecturers to assist in the instruction given there, as it has been able to do in the case of the health courses in Paris and London, but one or two foreign technical experts might be appointed to co-operate for a few months in Rio de Janeiro with the Latin-American staff, and here again, as in the case of the Argentine centre, scholarships might enable Latin-American doctors to derive a large amount of benefit from these courses.

4. My colleagues will also be interested to learn that Professor Carlos Chagas and Dr. Clementino Fraga, Director of the Brazilian Federal Public Health Service, have suggested that an International Leprosy Research Centre should be established under the auspices of the League.

The problem of leprosy has engaged the attention of the Health Committee for several years. As my colleagues are aware, the efforts made in northern European countries to combat this disease have been crowned with remarkable success. The road, however, which several Eastern and many of our own countries have still to travel is an arduous one. The task obviously devolves upon the national authorities, but investigations into the causes of the spread of the disease demand the assistance of all and real co-operation between scientists of all countries. For my part, I consider that this affords an excellent opportunity for defining international action and the extent of national effort. I am convinced that, if our Health Organisation is able to obtain the co-operation of the great scientists of other countries in the research work already undertaken in our countries, it will have made a real contribution to the solution of one of the most difficult problems which health administrations in Latin America are called upon to solve.

If these suggestions are approved, it should be remembered that a Brazilian philanthropist, Dr. Guillermo Guinle, is prepared to contribute a sum of 50,000 Swiss francs a year towards the creation of a Leprosy Research Centre. Moreover, it should not be forgotten that the Federal Government of Brazil would take a deep interest in the new development of public health under the auspices of the League of Nations.

5. The comparative researches into the sero-diagnosis of syphilis in Europe initiated by the Health Committee and the practical results already obtained might be extended to Latin-American countries. The Institute of Hygiene of the State of São Paulo is willing to make this possible and has already earmarked in its budget a sum sufficient to provide the salary for one year of a serologist to be appointed by the Health Committee of the League of Nations. As soon as these investigations have been begun in Brazil, they might be extended to other Latin-American countries; a step forward would thus be taken in the campaign against this social scourge.

6. I am happy to say that, thanks to the League's Mission, co-operation between the Sanitary Administration of Uruguay and the Mixed Commission of the Health Committee now studying health insurance in Europe has been assured. The National Council of the Uruguayan Ministry, in agreement with the Ministry of Industry, has decided to accept this co-operation in principle. The President of the National Council of Hygiene of Uruguay is prepared to visit Europe in order to follow more closely the work of the Mixed Commission and to introduce into his country all the necessary elements for the working of the new system of health insurance.

7. The Mission of the Health Committee arrived in Latin America accompanied by Professor Saiki, Director of the Imperial Institute for Research on Nutrition of Japan. Professor Saiki was the first of those who participated in the exchange of professors organised by the League of Nations to visit Latin America. The important science of nutrition, which Professor Saiki has made his own, a science which deals with the problem of nutrition in its physiological, hygienic and economic aspects, was the subject of numerous remarkable lectures given by him in various cities of the Argentine, Brazil, Chile and Uruguay. The Chilean Government and the health authorities of that country, recognising the practical and social importance of the science of nutrition, have arranged to engage for a period of two years a Japanese expert from the Imperial Institute of Tokyo, of which Professor Saiki is the head, for the purpose of organising similar services in the Central Health Department in Chile.

My colleagues will, I feel sure, take the view that the most interesting examples I have just given of the practical co-operation of the League of Nations with Latin-American countries call for technical investigation into the possibilities of realisation. The investigation of these various schemes should be entrusted to our Health Committee, and my colleagues will perhaps agree

with me in deciding that our Second Committee should ask the Assembly to request the Council to place the matter in the hands of the Health Committee as soon as possible.

After arranging for the technical investigation, we still have to deal with the general question whether the various possibilities of co-operation which I have just examined represent a suitable method for extending the technical work of the League of Nations in Latin-American countries. The essential problem for our countries is the development of our territory, for which purpose we must have a healthy population and carefully safeguard the life of every new-born child. You have the opportunity of giving clear proof of the desire of the League of Nations to co-operate in this work of fundamental importance by facilitating the realisation of the schemes I have just placed before you.

It is sometimes said that the influence of the League of Nations is in inverse ratio to the distance which separates the States from Geneva. Thanks to the various suggestions brought back to us by the Mission of the Health Committee in Latin America, we now have an opportunity to create a living image of the League of Nations in the very heart of our countries and to establish tangible and definite bonds with the League and its Health Committee.

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ANNEX 5.

ITALIAN PROPOSAL FOR THE CREATION OF AN EDUCATIONAL
CINEMATOGRAPHIC INSTITUTE AT ROME.

DRAFT REPORT BY M. GALLAVRESI (ITALY), RAPPORTEUR OF THE DRAFTING SUB-COMMITTEE.

The proposal of the Royal Italian Government submitted by Senator Cippico to the eight ordinary session of the Assembly on September 6th, 1927, and referred to the Second Committee for consideration by the Assembly's resolution on September 9th, 1927, provides the means of carrying out certain suggestions made by Dr. Breitscheid, Rapporteur to the Second Committee for questions of intellectual co-operation, and happily extends their scope.

Dr. Breitscheid had already pointed out that cinematography was an important factor in education, summarising thus the results of very wide experience and endorsing the resolutions of various congresses and of the Committee on Intellectual Co-operation.

The Italian Government's proposal has in view the creation at Rome of an International Educational Cinematographic Institute, under the direction of the League of Nations, but to be carried on at the expense of the Italian Government and established in a palace offered by that Government. The Assembly should therefore be asked to acknowledge with gratitude the generous offer of the Italian Government, the decision as to the steps to be taken being reserved for the Council, after consultation with the competent organisations, more particularly the International Committee on Intellectual Co-operation, and in agreement with the Italian Government.

A.II/9/1927.

ANNEX 6.

SETTLEMENT OF BULGARIAN REFUGEES.

DRAFT REPORT AND RESOLUTION SUBMITTED BY MAJOR ELLIOT (BRITISH EMPIRE).

During the seventh ordinary session of the Assembly, the Second Committee had before it the initial stages of the League scheme for the settlement of some 32,000 Bulgarian refugees. The general plan of work had been drawn up, the machinery to some extent organised, and the work had been started by means of a small advance pending the final negotiations for the loan necessary to put the scheme into full operation.

We can now consider the full year's work and note with gratification the progress achieved. In the first place, it is satisfactory to record the successful flotation of the Bulgarian Refugee Loan. London, New York, Italy, the Switzerland and Netherlands subscribed for bonds bearing 7 per cent interest and redeemable not later than 1967. The price of issue to the public was 92 per cent, and a total sum of approximately two and a-quarter million pounds was made available for the settlement of refugees.

The quarterly reports of the Commissioner of the League of Nations, M. Charron, show that the yield of the revenue assigned for the security of the loan, while not up to the estimates contained in the Bulgarian budget, have nevertheless been amply sufficient to cover several times over the sums required for the service of the loan.

It is gratifying to note that there has been a progressive improvement in the yield of the assigned revenues and that yet further steps are being taken to accentuate this tendency.

As regards matters of organisation, the Bulgarian Government is to be congratulated on the success with which it has centralised all its refugee services under the able direction of M. Sarafoff, whose energetic co-operation has been a feature of the work of the past year. A wise step has been taken in securing the advice of Messrs. Price, Waterhouse & Co. as to the system of accounting adopted, which has thus been placed on thoroughly sound lines.

It will be recalled that an essential feature of the scheme, embodied in Article 8 of the Protocol of September 8th, 1926, was the provision by the Bulgarian Government of 132,000 hectares of suitable land free from any encumbrance. Legal difficulties in the acquisition by the State of unencumbered title to the land required have caused certain delays, but these have already been obviated to a considerable extent by a special law passed by the Bulgarian Government. Further delays have been caused by technical difficulties as to maps and surveys, but these are gradually disappearing owing to the excellent work of the Geographical Institute of Bulgaria, to which M. Charron pays a special tribute in his reports.

These difficulties in providing the land have necessarily made the progress of the work of building houses in which the refugees can be installed somewhat slow, but the fourth report of the League of Nations Commissioner shows that we may hope for a great intensification of activity in building houses in the near future. Considerable progress has been made in the distribution to the refugees of seeds, agricultural implements and cattle.

Other difficulties have been faced and appropriate measures taken to meet them. The original plans for the drainage of marshes have, upon close technical examination, been found to need revision, which has been undertaken. The League owes a very great debt of gratitude indeed to the distinguished Italian engineer Signor Fornari for his invaluable co-operation in this matter.

Similarly with regard to malaria. The well-known Dutch scientist Professor Swellengrebel, in concert with the Health Section of the League, has rendered services of inestimable value, and in accordance with his recommendations a competent medical service has been set up and a suitable organisation started to undertake anti-malarial work.

Plans have been drawn up or are in course of preparation for as much work on roads and railways as is permitted by the amount of funds at present available. It is to be hoped that substantial progress will be made in this direction during the coming year.

It is particularly gratifying to record that, owing to the determination of all parties concerned, the problems which might have arisen out of the settlement of refugees in districts near the land frontiers of Bulgaria have in all cases been solved. A high tribute is to be paid to the spirit of co-operation in which the Bulgarian Government and the neighbour States have acted in this matter.

We can therefore record the successful inception of this scheme, and if in many directions unforeseen difficulties have arisen, we can look with satisfaction upon the courage and resolution with which they have been faced and the prospect of success in overcoming them. This has meant arduous work for all concerned, but we can confidently count on the energy and initiative of the Bulgarian Government and of the servants of the League, under the inspiring leadership of the Commissioner, M. Charron, whose skill and devotion have been beyond praise. We can rest assured that they will spare no effort to add still another to the achievements of reconstruction which the League regards with justifiable pride.

I have the honour to propose that the Committee should recommend the Assembly to adopt the following resolution :

“ The Assembly

“ (1) Has learnt with great satisfaction of the successful flotation of the Bulgarian Refugee Loan, providing funds for the carrying out of the scheme approved by the Council;

“ (2) Takes note of the progress which has already been made in the work of making land and houses available for the occupation of the refugees;

“ (3) Expresses the hope that, during the coming year, it will be possible to record the completely satisfactory progress of the work of settlement;

“ (4) Desires to express its appreciation of the courage and resolution displayed by the Bulgarian Government and the Commissioner of the League of Nations in carrying out the scheme.”

A.II/12/1927.

ANNEX 7.

WORK OF THE ORGANISATION FOR COMMUNICATIONS AND TRANSIT : RESULTS OF THE THIRD GENERAL CONFERENCE ON COMMUNICATIONS AND TRANSIT.

DRAFT REPORT AND RESOLUTION SUBMITTED BY M. DE BROUCKÈRE (BELGIUM).

From the report and the supplementary report of the Advisory and Technical Committee for Communications and Transit, the Assembly has been able to form an idea of the way in which this Committee has effectively pursued its work during the past year on the lines already repeatedly approved by the Assembly. To mention only a few examples, the investigations already referred to regarding combined transport, the unification of private law in inland navigation and the unification of statistics are making it possible to secure most valuable results. Those relating to the unification of tonnage measurement in maritime navigation have at last been put in hand, with all the necessary expert assistance. The final report on the unification of buoyage and lighting of coasts has been submitted to the Governments of maritime countries with a view to a possible conference. In the same way, the definite proposals which, in pursuance of the Passport Conference, the Committee has been able to draw up with regard to the issue of a transit card for emigrants, exempting them from the formality of visas, will probably be incorporated shortly in an agreement giving them practical effect, nearly all the Governments concerned having already signified their assent. Lastly, the enquiry regarding inland navigation in Europe has been brought to an end with a detailed study of the important problems of inland navigation concerning Poland, in which country a special mission of experts studied on the spot, in agreement with the Polish Government, the conditions for the construction of various canals, the regulation of the Vistula, the routes of access to the outlets on the Baltic, the drainage of the Polesian marshes, etc. With the report submitted on this question and communicated to all the Governments, the Advisory and Technical Committee, in conformity with the resolution of the Genoa Conference, entered upon the path of providing practical assistance to Governments with a view to the economic reconstruction and development of Europe.

It would undoubtedly be of great interest to examine in detail the results of this regular work of the Advisory and Technical Committee, to whose credit should also be put the investigations undertaken at the Council's request with a view to the improvement of the communications of the League of Nations at times of emergency, which will come under review by the Assembly when it considers the work done in the matter of the reduction of armaments. But this year it would seem that the Assembly, without neglecting the results of the Advisory and Technical Committee's continuous work, should give its particular attention to the results of the Third General Conference on Communications and Transit, prepared by the Advisory and Technical Committee, and held at Geneva from August 23rd to September 2nd last. This Conference, moreover, directly requested the Assembly to take positive action on certain points.

The First General Conference on Communications and Transit, held at Barcelona in 1921, laid the foundations of the Organisation in conformity with the principles adopted in the Assembly's resolutions of December 8th and 9th, 1920. It also concluded general Conventions on the Freedom of Transit and the Regime of Navigable Waterways of International Concern, and made various recommendations.

The Second General Conference, held at Geneva in 1923, concluded general Conventions on the International Regime of Railways and on the International Regime of Maritime Ports, as well as two Conventions on electric questions.

The General Conference of 1927 had not on its agenda the elaboration of any general Conventions. Except as regards a particular question arising out of the Conference on the International Regime of Passports, viz., the question of identity documents for persons without nationality, it did not deal with problems affecting the direct interests of States. For the first time, an international Conference on Communications met with the main object of supervising and bringing to the highest point of efficiency the methods of international co-ordination utilised by the League of Nations in the domain of transports. Yet, although the Governments had no special interests to defend—at any rate, as regards the greater part of the agenda—forty-three Governments were represented, and this fact alone shows the importance attached by all the Administrations to the consolidation and development of the work of the League of Nations as regards communications and transit. The United States of America took an active part for the first time in a General Conference on Communications and Transit of the League. Ecuador and Egypt were also represented, as well as Turkey, which had already taken part in the Second Conference. The Union of Socialist Soviet Republics was not represented at the Conference, but officially communicated its desire to be kept informed of the results, to which it attaches great importance.

Apart from the Governments represented, the presence in an advisory capacity of a very large number of international organisations helped to give this Conference its particular character, and to make it *par excellence* an instrument for the general co-ordination of international activity in dealing with questions of transport.

The International Railway Union, the International Transport Office at Berne, the International Commission for Air Navigation, the International Air Traffic Association, the International Technical Committee of Legal Experts for Air Navigation, the International River Commissions, the International Shipping Conference, the International Chamber of

Commerce, the International Federation of Transport Workers, the Christian Union of Transport Workers, the International Broadcasting Union and the High Commissariat of the League of Nations for Refugees took part in the debates in an advisory capacity. This co-operation of organisations and Governments in League Conferences is perhaps one of the most interesting innovations introduced by the League in the methods of international co-operation.

The first two items of the Conference's agenda were, according to statute, the consideration of the Advisory and Technical Committee's report on the work done since the last Conference and the report of the Secretary-General of the League on the action taken to give effect to the decisions of previous Conferences.

The Conference, in the course of general and public discussions, examined by categories of questions the work done by the Committee. A detailed table of the work accomplished and of the composition of the Committee and of its various sub-committees or specialised committees had been drawn up for the Conference; the latter was naturally unable to go into all the technical details of the work undertaken by the Committee with the help of over one hundred and twenty specialised experts; but the new Advisory and Technical Committee will be able to profit by many useful comments, and a large number of important suggestions were made with regard to forthcoming activities. On the Hungarian delegation's proposal, the Advisory and Technical Committee was asked to study the best means of ensuring as far as possible, in the event of grave occurrences of a general character effecting routes of communications, the maintenance of international transit by the preconcerted utilisation of alternative routes which could temporarily replace routes through which transit had become impossible.

On the Latvian delegation's proposal, the Committee was asked to examine the position which arose whenever considerations of an international character obstructed the freedom of communications and international transit and created a situation calculated to paralyse and impoverish economic life.

The Conference also decided to forward to the Advisory and Technical Committee for examination a declaration by the Swiss delegation drawing attention to the necessity of organising international co-operation in the sphere of aerial navigation, where it is at present imperfect, in the most rational manner and with the assistance of the greatest possible number of States.

It is hardly necessary to emphasise the importance, sometimes even from the political and social points of view, of the questions thus raised.

The Conference lastly considered the possibility of hastening the ratification of the general Conventions previously concluded, the application of which seemed to it to be of the greatest importance to the peaceful development of trade.

Another point on the agenda related to the revision of the Rules of Organisation and of the Rules of Procedure for General Conferences adopted at Barcelona in 1921. Experience seemed to have shown that, although the principles of the former Rules gave the Organisation sufficient stability combined with elasticity, and sufficient autonomy whilst safeguarding the rights of supervision of the Council and of the Assembly, and although they had thus shown their value and should be maintained, a new Statute of the Organisation was desirable which should be clearer and more in conformity than the previous one with the necessities which experience had gradually revealed. The new Statute adopted by the Conference may be regarded as consolidating the Organisation. The changes of substance, as compared with the former Rules, are not of great importance. Mention should be made, however, of the provisions sanctioning the necessary initiative of the Council as regards invitations to general Conferences and the convening of partial Conferences, provisions which provide greater latitude than the former Rules; those which give greater liberty than heretofore to the Advisory and Technical Committee's procedure with regard to the settlement of disputes; those which take account of the constitution of the Advisory and Technical Committee and of the specialised organs subordinate to it, whose operation had not been so clearly defined at Barcelona; those sanctioning the holding of general Conferences every four years, while allowing this provision to be modified in exceptional circumstances; and lastly, those, perhaps among the most characteristic, which facilitate the co-operation of States not Members of the League with the Organisation or within the Organisation.

Among these latter provisions, mention should be made of one which cannot be definitely put into force without the Assembly's approval. The text of the Assembly's resolution of December 9th, 1920, stipulates that "the total number of members of the Committee shall not exceed one-third of the Members of the League of Nations". Since States not Members of the League may be members of the Organisation and, as such, may be called upon to form part of the Advisory and Technical Committee, the Conference considered that, in the event of a certain number of States not Members of the League happening to form part of the Organisation, *i.e.*, in the very case in which the Organisation would have the greatest vitality and importance for the world as a whole, the maintenance of this provision might make it difficult to appoint to the Committee the best qualified States which were members of the Organisation but not Members of the League, the number of places held by the Members of the League having in these cases to be correspondingly diminished. Moreover, from the financial point of view, the voting of the budget by the Assembly sufficiently restricts the Committee's expenditure and it should be observed that, since the first ordinary session of the Assembly, the rules governing the administration of the League's finances have decided that States not Members of the League admitted as members of any organisation of the League should contribute to the expenses of the organisation concerned unless there is any stipulation to the contrary. In these circumstances, subject to the Assembly's approval, the Conference adopted the following provisions :

"The Advisory and Technical Committee shall be composed of members appointed by Members of the League of Nations, and may also include members appointed by members of the Organisation which are not Members of the League.

“The number of members of the former class may not exceed one-third of the number of the Members of the League. The number of members of the latter class may not exceed one-third of the number of the members of the Organisation which are not Members of the League. If, however, the number of members of the Organisation which are not Members of the League is less than three (or six), one member (or two, as the case may be) of this class may be appointed.”

It seems likely that, for the same reasons as those which influenced the Third General Conference, the Assembly will desire to give its approval to these provisions, and in general to facilitate the co-operation of States not Members of the League so happily inaugurated at the Third Conference itself.

One of the questions which aroused the greatest interest at the Conference, notably on the part of the States not Members of the League, and one for the discussion of which the Government of the United States of America had specially sent an important delegation comprising specialist experts, was the question of the collection and exchange of information on communications and transit. The placing of this question on the Conference's agenda by the Advisory and Technical Committee was due to two reasons.

The report submitted to the seventh ordinary session of the Assembly by the Second Committee contained the following observations :

“The Advisory and Technical Committee has hitherto restricted its activity mainly to Europe, where, as we have said, the situation consequent upon the war had given these services exceptional importance. I would like to point out, however, that, in the interests of the League of Nations and of the Latin-American States, it would be most desirable that its work should extend to these countries. For this purpose, information would first have to be collected on both sides in order that, on the one hand, the Advisory and Technical Committee might become familiar with the situation and conditions of the Latin-American countries as regards transit and communications, and that, on the other hand, the Governments and public opinion in these countries might be acquainted with the aim and work of the Committee, the results obtained and the ways in which the Committee could on occasion do them important service. In order to attain this result, the Committee must get into touch with the governmental and administrative bodies responsible for communications in each of these countries and supply them with all necessary information on the work it has already done, at the same time asking them for details regarding the situation of communications in each country.”

The resolution adopted by the last ordinary session of the Assembly and generalising these observations declared that the Assembly

“trusts that the Third General Conference on Communications and Transit, which will be held in 1927 and which will examine in particular the general questions of organisation and documentation, will consider the question of improving as far as possible technical liaison between the work of the Organisation for Communications and Transit and the specialised administrations and experts of the non-European countries.”

Apart from the utility of collecting and exchanging information on communications and transit with a view to a better liaison between the Communications and Transit Organisation and specialised circles in countries outside Europe, the Advisory and Technical Committee had also felt the absolute necessity of acquiring continuous and essential information on the position as regards communications throughout the world. Certain misunderstandings having had to be dispelled at the Conference, where the fear had been expressed that it might be proposed to create a large special and independent organisation for the accumulation and distribution of information, leading the Committee to break entirely new ground, the latter stated its intentions as follows in a note submitted to the Conference :

“When it was first established, the Communications and Transit Organisation concerned itself chiefly with the most urgent task—that of establishing principles. Is that its only task? Is it at the present time its essential task? Responsible as it is for advising the organs of the League and the Governments as to the measures to be taken to secure freedom of communications and to promote international co-operation in the matter of transport, can the Organisation continue its work efficiently if it has not constantly at its disposal the most elementary and indispensable information as to the state of international relations in the field of transport and the general development of the various forms of transport in different countries?

“The Committee has felt that it could not remain uninformed as to large fluctuations in traffic, depressions, crises and advances, important international arrangements concerned with transport, the opening of important new routes, the development of new ports, extensive changes in the general organisation of transport in different countries, and so forth. This does not mean that the Committee proposes to undertake any new work or in any way to extend its international activities; it merely wishes to provide itself with the necessary machinery for its normal and regular work.

“As far as funds have permitted, following out individual ideas and dealing with problems as they arise, the Committee has already in the past collected information on certain points; but this information has been found inadequate to enable the Committee to keep in touch with the most real and practical problems of transport.

“The Committee has therefore concluded that it is essential to organise systematically what has hitherto been done on purely temporary, fragmentary and inadequate lines. It has

attempted to deal in the most economical manner with a need that has been felt by all international organisations of a like kind.

"The work that the Communications and Transit Committee has in mind is by no means as considerable as the informatory work that has been done to meet the requirements of the Economic and Financial Organisation; but the Committee feels that it is an anomaly that the League should have in the general interest copious and up-to-date information on every aspect of economic life except that which is perhaps the most international and representative of all—transport."

After discussion, the Conference adopted the following resolution, with the unanimous approval of the Governments taking part and with the support of all the international organisations represented :

"This Conference has fully examined the question referred to it of providing further information for the Communications and Transit Organisation. It notes that, in the supplementary statement submitted by the Advisory and Technical Committee, that body expresses a doubt whether the Organisation can 'continue its work efficiently if it has not constantly at its disposal the most elementary and indispensable information as to the state of international relations in the field of transport and the general development of the various forms of transport in different countries', and the Committee adds that it does not propose 'to undertake any new work or in any way to extend its international activities; it merely wishes to provide itself with the necessary machinery for its normal and regular work'. The Conference notes also that the Advisory and Technical Committee thought that the collection and utilisation of such information would facilitate collaboration between the Organisation and experts and administrations in the various countries, particularly as far as non-European countries are concerned.

"The Conference is therefore of opinion :

"(1) That, while the establishment of any special bureau of information is neither called for nor recommended, the Organisation should be enabled to furnish itself adequately with such information as may be necessary to enable it to perform effectively its important and extensive functions, it being understood that information so obtained would, on request, be put at the disposal of Governments and interested organisations;

"(2) That to this end the Governments and interested organisations in the various countries should be invited to furnish the Organisation regularly with such information of a general character on questions of communication as may be deemed suitable for the purpose, it being understood that only material of a non-confidential nature should be asked for and that no additional work would be required for the Governments and organisations;

"(3) That the information should be limited as far as possible to questions within the province of the Organisation, but that the collection of information upon any particular question should in no way be regarded as bringing that particular question within the competence of the Organisation nor as implying any intention of dealing with the question on the part of the Organisation.

"The Conference does not feel called upon to recommend in detail the information which should be collected, or to prescribe any detailed scheme for the utilisation of this information. Such questions should be determined by the experience gained by the Advisory and Technical Committee as to the value of different courses of action, and to some extent by the nature of the question with which at any time the Transit Organisation is dealing.

"In dealing with this matter, the Conference has given attention to the resolution of the last Assembly that the General Conference should 'consider the question of improving as far as possible the technical liaison between the work of the Organisation for Communications and Transit and the specialised administrations and experts of the non-European countries'. It is confident that, in the collection and utilisation of such information, the Transit Committee will promote closer relations between the Organisation and the experts and administrations—for example, by provision for correspondents, in cases where such a method may be considered the most appropriate, in agreement with the Governments concerned.

"It trusts, therefore, that the next Assembly of the League will put at the disposal of the Transit Organisation the necessary means¹."

The Assembly will certainly congratulate itself on the co-operation in a new form, or in a more complete form than hitherto, which all the Governments have promised through their representatives to bring to the work of the Organisation for Communications and Transit. It will no doubt desire to associate itself completely with the Conference's views and to invite the Advisory and Technical Committee to organise, on the lines laid down by the Conference, the collection and utilisation of information. The Conference's debates have already shown how this may be expected to bring about closer relations between the Organisation and the experts or administrations of the different countries, particularly of the non-European countries. The Conference, without wishing to diminish the Advisory and Technical Committee's freedom in the choice and utilisation of information, nevertheless, with the assistance of experts from a large number of countries, drew up, for the examination of the Advisory and Technical Committee, a list of

¹ An estimate of these means, as communicated to the Conference by the Advisory and Technical Committee, is attached to the Conference's resolution in the form of a note.

suggestions regarding the nature of the information which might be collected. In general, this information, which has been defined with the greatest possible clearness, bears on international agreement of a public character relating to transport, the administrative and legislative treatment of transport in the different countries, the main constructions in progress or completed, the general statistics of traffic, and the main changes in freights and tariff systems. It is worth noting that, in the course of this discussion, the American delegation, after congratulating the Conference on the resolutions it had adopted on the collection and utilisation of information, indicated how a profitable exchange of information and experience might be established in the sphere of transports between America and Europe. It declared its conviction that "the matter of reciprocity in records of experience was a very vital one", and added that "the entire American delegation was going home to recommend and urge with all the power and influence that it possessed that the United States from now on be represented at these commercial conferences of the League of Nations, and also by all means be equally represented at other commercial conferences".

The aim set before itself by the last ordinary session of the Assembly may be regarded as achieved. The Third General Conference on Communications and Transit marked a great step forward in the mutual comprehension of national problems between countries and continents. It revealed, even on the part of those who had not been continuously associated with the Communications and Transit Organisation, a full appreciation of the importance of this work.

Finally, it was in the same spirit of conciliation and international agreement that the Conference solved the special question submitted to it as a result of the Conference on the International Regime of Passports, that of identity documents capable of serving as internationally recognised travelling certificates for persons without nationality. After debates which were sometimes of a delicate character, agreement was reached on the drafting of concrete recommendations setting forth all the particulars of a new uniform document. If the greatest possible number of Governments concerned apply the Conference's recommendations rapidly and in a liberal spirit, the difficulties from which a great number of persons are at present suffering in Europe will be removed.

I have the honour to propose the adoption of the following resolution :

"The Assembly,

"Expresses to the Advisory and Technical Committee for Communications and Transit its satisfaction for the work accomplished in the course of the year;

"Is gratified that the Third General Conference on Communications and Transit has achieved successful results on all the items of its agenda and has contributed to the establishment of closer relations between the Organisation for Communications and Transit and the States not Members of the League;

"Invites the Advisory and Technical Committee to take in hand at an early date the study of the questions raised during the Conference's debates on the Committee's work;

"Approves the provisions of the new Statute for the Communications and Transit Organisation for the application of which the Assembly's consent is necessary (§ 1 of Article 13, paragraphs 1 and 2);

"Urges the Members of the League to facilitate the collection of the information necessary to the Organisation for Communications and Transit, in conformity with the resolutions adopted by the Conference, and trusts that, in undertaking the collection and utilisation of this information, the Advisory and Technical Committee will effect a constant improvement in the co-operation between the Organisation and the experts and administrations of the various countries, particularly of the non-European countries, whether Members of the League or not; and

"Invites the Members of the League to consider favourably the recommendations adopted by the Conference with regard to identity documents for persons without nationality."

ANNEX 8.

A.II/11/1927.

WORK OF THE ECONOMIC COMMITTEE.

DRAFT REPORT AND RESOLUTION SUBMITTED BY M. GLIWIC (POLAND).

The dominant factor in the current year has been the International Economic Conference. This accounts for the fact that, since the last ordinary session of the Assembly, the Economic Committee has only held two sessions. The first of these, which was held before the Economic Conference, was devoted to the current work of the Committee, and the second, called at the special request of the Council, took place after the meeting of the Conference and was entirely devoted to work arising out of certain resolutions of the Conference and referred to the Committee by the Council.

It may perhaps be useful to point out at this stage that, although reference is made to the resolutions of the Economic Conference in several places, it is not proposed to discuss in this report the results of the Conference itself. These will be dealt with by M. Loucheur in his report to the Second Committee.

1. *International Diplomatic Conference for the Abolition of Import and Export Prohibitions and Restrictions.*—This question, which was initiated by a resolution of the fifth ordinary session of the

Assembly, has been the object of long and careful studies by the Economic Committee in consultation with Governments and interested circles. The International Economic Conference gave its unanimous approval to the draft Convention prepared by the Economic Committee as the basis for discussion at an international Conference.

By a decision of the Council, the Conference on Prohibitions is to open at Geneva on October 17th of this year. All States Members of the League and the principal States non-Members have been invited by the Council to send representatives to this Conference.

The coming Conference, although it was prepared before the International Economic Conference, may be regarded as the first attempt to give practical effect to the principles and recommendations of that, and it may have a considerable influence upon the success of other measures which may be contemplated to put into operation other important recommendations of the Economic Conference, in particular those relating to tariffs.

For this reason, and in order to free international commerce from a barrier which it considers to be one of the chief obstacles to the freer movement of goods, the Second Commission cannot but express the wish that the coming Conference will lead to the conclusion of a binding agreement signed and subsequently ratified by as many States as possible.

2. As mentioned above, the second session of the Committee was entirely devoted to the preparatory study of certain recommendations of the International Economic Conference referred to the Committee by the Council, viz., the recommendations with regard to tariffs and commercial treaties, to the unification of Customs nomenclature and to the treatment of foreign nationals and enterprises.

As regards *tariffs and commercial treaties*, the Committee is pursuing a preliminary study of the actual situation in the various countries so as to be able to judge at which moment and under what conditions further steps could be taken towards a common policy. The study undertaken by the Economic Committee refers in particular to the characteristic features of the tariffs of the various countries, the advantages and disadvantages of their Customs regime, as well as of the form and application of the most-favoured-nation clause, and so forth.

The first step towards the *unification of Customs nomenclature* appeared to the Committee to be the drawing up of the general framework of a unified tariff to form the basis for further work. Contrary to the pessimistic anticipations held in many quarters, the small group of experts to whom the Committee entrusted the first task has already achieved very considerable progress. In October, they will submit their unified framework, along with proposals as to the best methods for elaborating the details, and we have every reason to hope that, in the year 1928, great progress towards the unification of tariff nomenclature will have been made.

The question of the *treatment of foreign nationals and enterprises* is not new to the Committee. It will be remembered that, in 1923 and 1925, the Committee agreed upon two series of principles with regard to the treatment of foreigners in fiscal and legal matters, and the treatment of foreigners admitted to exercise a trade, profession or other economic occupation, and that the adoption of these principles was recommended by the Council to all States Members of the League. The International Economic Conference has now recommended that an international conference be held with the object of settling the matter by means of an international agreement. I am glad to state that the Economic Committee is already engaged in drawing up the preparatory documents for this Conference.

3. *The International Convention relating to the Simplification of Customs Formalities* signed at Geneva on November 3rd, 1923, has been ratified by seven more States since the last ordinary session of the Assembly. This brings the number of ratifications or adhesions up to twenty-seven, i.e., nearly one-half of the States Members of the League. It is to be hoped that the other half will find it possible to adhere to the Convention in the near future. The first reports of the Governments on the application of the Convention, which have been communicated to the Secretary-General in accordance with Article 9, reveal (I quote the report of the Committee) "the striking progress which has been made under the influence of the Convention both as regards the clauses which have a binding character and those which are merely in the nature of recommendations". Moreover, the Committee has found that the provisions of the Convention are being increasingly used as a basis for the settlement of questions of a similar character in bilateral treaties.

In view of the encouraging reports of the Governments on the application of the provisions of the Convention, the Economic Committee has decided to take up the study of certain recommendations annexed to the Convention, with a view to their practical application.

4. As regards the question of *false declarations in Customs matters*, arising out of a recommendation of the Geneva Conference of 1923 on Customs Formalities, the Committee, after considering the various proposals which have been put before it either for an international convention or for bilateral agreements, decided, with the approval of the Council, to invite a few jurists and Customs experts to express their opinion on the juridical and technical aspects of the question. Owing to the urgent nature of the other questions now under consideration, the proposed meeting of experts has not yet taken place, but I understand that it is contemplated holding it at the earliest possible date.

5. *The Protocol of 1923 on Arbitration Clauses* has been ratified during the past year by two further States, thus bringing the number of ratifications up to fifteen. The small number of ratifications during the past year is no doubt due to the fact that an additional Protocol for the

enforcement of foreign arbitral awards has been prepared and already circulated to the Members of the League. The Second Commission will be called upon at its present session to consider this draft which is intended to supplement the 1923 Protocol. This question forms a separate item on our agenda and I therefore do not propose to dwell upon the matter here.

6. With regard to the question of the unification of *bills of exchange*, the Committee is now directing its efforts towards an attempt to assimilate and harmonise in the first place the laws of the countries belonging to the Continental group, a complete unification of all existing laws having been recognised as presenting for the time being insuperable obstacles. The Economic Committee is of the opinion that, if only the Continental laws relating to bills of exchange and cheques could be assimilated, great progress would be achieved, and it might then perhaps be easier to bring into closer harmony the Continental and the Anglo-Saxon systems. With the approval of the Council, the Committee called together a meeting of experts, drawn from business circles, to point out the practical difficulties encountered by the business world as a result of the divergencies between the laws of the different countries and to single out those difficulties which appeared to be capable of solution by means of an international agreement. As a result of the proposals of these experts, the Committee came to the conclusion that further steps should be taken with a view to framing the necessary articles to serve as the basis of an international agreement. This task will be entrusted to a meeting of experts, mainly jurists, the holding of which has already been approved by the Council, and the convening of which is contemplated for this autumn.

I have been informed by the Secretariat that if, as we have every reason to hope, the work of these experts rapidly achieves the desired result, it should be possible to consider the convening of an international Conference, either at the end of 1928 or the beginning of the following year, with a view to reaching an agreement to bring about that assimilation of legislations of the Continental type which is so greatly to be desired and to which I have just referred.

I considered it advisable to draw special attention to this circumstance in order that countries contemplating the reform of their laws relating to bills of exchange and cheques might, if necessary, bear it in mind.

7. In the course of its study of the question of *economic crises*, the Committee called together a number of experts in order to have their opinions as to the scientific and technical aspects of the establishment of indices and economic barometers. The report of these experts will be considered at the next meeting of the Joint Committee on Economic Crises, representing the Economic and Financial Committees and the International Labour Office.

8. Following up the work done by the Economic Committee, with the help of the International Institute of Statistics, in the field of the *unification of economic statistics*, the Committee suggested to the Council that a Conference should be convened in the near future, to which all Governments should be invited to send official statisticians. The object of this Conference would be to promote the adoption by the various States of uniform methods in the compilation of economic statistics. The Council agreed to this proposal in principle but decided to await concrete suggestions from the Economic Committee before fixing the programme and date of the Conference.

9. Reference should also be made to a recommendation of the Economic Committee, approved by the Council in its session of December 1925, to the effect that it would be of great advantage if the League could publish a *Statistical Year-Book* in which were summarised in a single volume the very considerable quantity of statistics of great interest to Governments and business men which were at present scattered through a number of different League publications. It was originally intended to issue the first edition of this volume during the course of 1926, but it was finally decided to incorporate it in the documentation of the Economic Conference. This volume has attracted a very considerable amount of attention and is, I venture to believe, likely in the near future to become one of the best known of all the documents issued by the League of Nations.

10. Before concluding, I should like to say a few words on a subject which, although not mentioned in either of the two reports of the Economic Committee before us, requires some explanation, that is to say, the question of the *protection of foreign buyers against worthless goods*.

The Second Committee expressed the hope last year that every effort would be made to secure the publication, before the present session of the Assembly, of the documents collected by the Economic Section regarding the various means existing in different countries for protecting foreign buyers against worthless goods or goods the quality of which is unsatisfactory.

As you know, an uncorrected proof of this publication has just been distributed to us.

This pamphlet, which contains a quantity of information of importance for the business world, will no doubt have interested you as much as it has me. I have carefully read through the preface, and note that the Secretariat regrets that it was impossible for it to present a more complete work. The hope is expressed that the first attempt which has just been made will produce a satisfactory result by indicating more clearly the aim that has been pursued and its utility.

I think you will also wish to associate yourselves with this hope and to express the desire that an urgent appeal should be made to the various Governments requesting them to furnish to the Secretariat the information which it requires in order to complete its work, either by means

of additional data in the case of those countries from which information has already been obtained or by providing such information where it is still lacking.

I am also of opinion that we can trust the Secretariat to bring to a successful conclusion as soon as possible the first task which is incumbent upon it, that is to say, to complete this provisional publication so that it may be communicated without delay to all Governments.

I have the honour to submit for your consideration the following draft resolutions which, if approved by you, might be laid before the Assembly for adoption :

“The Assembly,

“(1) Reiterating its conviction that the conclusion of an International Convention for the Abolition of Import and Export Prohibitions and Restrictions would greatly facilitate the recovery and future development of world trade, appeals to all Governments to send duly authorised representatives to the Conference which will take place in Geneva on October 17th, and expresses the most earnest hope that no efforts will be spared to bring the work of the Conference to a successful issue;

“(2) Notes with satisfaction that steps have already been taken by the Council to set in motion the preparatory work connected with the execution of certain urgent resolutions of the International Economic Conference, in particular those relating to tariffs and commercial treaties and to the unification of Customs nomenclature;

“(3) Takes note of the ratifications of the International Convention relating to the Simplification of Customs Formalities and of the Protocol of 1923 on Arbitration Clauses during the past year, and expresses the hope that those States which have not yet found it possible to adhere to these two international Acts will do so at an early date;

“(4) Notes with satisfaction that it is proposed to convene a Conference in the near future with a view to achieving greater uniformity in economic statistics;

“(5) Notes with approval that the recommendation that the Economic and Financial Section should issue a *Statistical Year-Book* has now borne fruit, and recommends that this valuable volume should become one of the annual publications of the League;

“(6) Observes with satisfaction the progress which the Economic Committee has made in the study of the question of false declarations in Customs matters; of the progressive assimilation of laws relating to bills of exchange and cheques; and of economic barometers, and hopes that no effort will be spared to bring this work to a successful issue.”

A.II/16/1927.

ANNEX 9.

WORK OF THE CONFERENCE FOR THE CREATION OF AN INTERNATIONAL RELIEF UNION.

DRAFT REPORT AND RESOLUTION SUBMITTED BY BARON DE VEST (HUNGARY).

In accordance with the resolution adopted by the Assembly on September 24th, 1925, the Council convened an International Conference for the Creation of the International Relief Union. The Conference, which was attended by representatives of forty-three States, sat from July 4th to 12th, 1927, and approved a Convention and Statutes. The social and legal importance of these instruments should be emphasised. By putting this generous idea into effect, the League has made a further step along the path of international solidarity. If there is one moment in the life of nations when international solidarity should come into play, it is the moment when a disaster is piling up ruin, breaking the springs of the people's resistance and throwing its whole life into disorder. In such an hour of need, the International Relief Union will bring to that country the succour and the brotherly aid of all the nations.

A perusal of the articles of the Convention and the Statutes reveals the care that has been taken not to dry up the springs of private charity but to stimulate and co-ordinate them. The International Relief Union, as portrayed in the documents mentioned, appeals for co-operation not only to the Red Cross Societies but also to all public and private organisations in a position to bring relief to stricken peoples. The Conference has revealed its wisdom in setting up a highly flexible mechanism which can operate with the utmost efficiency.

The League of Nations can fairly congratulate itself on the results achieved. The Assembly will recall the importance attached by itself and by the Council to the realisation of this scheme. The lengthy discussions that took place in the Assembly Committees in 1923, 1924 and 1925 enabled the project to be examined in every detail. A Preparatory Committee, composed of experts of various nationalities, prepared, following the trend of the Assembly discussions, a draft report on which the work of the Conference was based. The Assembly will certainly wish to express to the members of the Committee its satisfaction with the results obtained and to offer them its thanks. A special expression of gratitude is due to Senator Ciruolo, the promotor of this

humane project. The Assembly will also doubtless wish to thank M. Külz, the President of the Conference, who was appointed by the Council.

There is one point to which attention may profitably be drawn. The Preparatory Committee for the Ciraolo scheme interprets the decisions of the fifth ordinary session of the Assembly in the sense that its mandate will only be terminated by the final constitution of the International Relief Union. Till that time, the Committee holds itself at the Council's disposal to prepare the executive measures involved by the creation of the International Relief Union. At its meeting on September 3rd, 1927, the Council decided to propose to the Assembly that the Preparatory Committee should continue to meet to prepare draft regulations for the International Relief Union and to submit to the Council any proposals that may facilitate the putting into force of the Convention. I think that the Council's proposal is a particularly wise one. Until the new organisation has been formed, the League cannot cease to take an interest in the question without the risk of jeopardising the results already achieved. It must continue, with the assistance of the experts, to concern itself with the scheme. The Preparatory Committee—or, if circumstances so demand, only some of its members or experts, who would be specially invited by the Council and would have the assistance of the President of the Conference—will be in a position to propose to the Council all such measures as may be expedient with a view to the early constitution of the International Relief Union;

I therefore propose the adoption of the following resolution :

“The Assembly,

“Highly gratified at the success of the Conference for the Creation of an International Relief Union;

“Convinced that the Governments, before which the results of the Conference have now been laid, will definitely decide to co-operate in this work of international solidarity :

“Offers its thanks to Senator Ciraolo, to the President of the Conference and to the members of the Preparatory Committee for the scheme on which the Conference's work was based, and requests the President of the Conference and the members and experts of the Preparatory Committee to hold themselves at the Council's disposal to propose to it all measures that may be calculated to facilitate the putting into force and the application of the Convention concluded by the Conference.”

A.II/15/1927.

ANNEX 10.

WORK OF THE FINANCIAL COMMITTEE.

DRAFT REPORT AND RESOLUTION SUBMITTED BY M. DJOURITCH (KINGDOM OF THE SERBS, CROATS AND SLOVENES).

As Rapporteur on the work of the Financial Committee, I will take this opportunity of giving a rapid review of the activities of this Committee since its inception.

The Financial Committee, which counts among the most highly qualified and active Committees of the League of Nations, was originally created to perform a very modest task. In this connection, the history of the Committee is of great interest.

The Financial Committee was formed subsequent to the Brussels International Financial Conference in 1920 with the main object of facilitating the employment of the ter Meulen credits; the original ter Meulen scheme approved by the Brussels Conference was never put into practice. However, once started, the Financial Committee proved to be a peculiarly competent body; new tasks were assigned to it each year and its activity has continually extended since that time.

The most obvious manifestation of the Financial Committee's activities is the series of loans to different countries issued, as the result of its labours, under the auspices of the League of Nations to Austria, Hungary, Greece, the Municipality of Danzig, Bulgaria, Estonia and, quite recently, the Free City of Danzig. The total of these loans amounts in round figures to seventy million pounds sterling, or approximately one milliard seven hundred million gold francs.

All those loans were issued without the least difficulty. The investing public has confidence in the loans issued under the auspices of the League of Nations because it knows that they are based on plans carefully studied by the impartial and highly qualified experts who form the Financial Committee. Furthermore, it is well known that this Committee follows systematically and assiduously financial conditions in the countries with which it is concerned.

In consequence, all the loans issued under the auspices of the League of Nations have benefited from a lower rate than if they had been contracted by the respective Governments without such patronage. But the value of the Financial Committee's work is not confined to the facility of contracting these loans. The plans of the League of Nations, and consequently those of the Financial Committee, are primarily directed to laying sound foundations on which the countries concerned can build the best economic structure permitted by circumstances. The loans hitherto issued have been a means of effecting the reconstruction of the financial position which was compromised in many countries in 1920 and the following years, during which the Financial Committee displayed its greatest activity. Before commencing this reconstruction, it was first essential to stabilise the currency and to effect budget equilibrium in these countries. In both these directions the Financial Committee furnished classic examples, which were later followed

by numerous countries when they had recourse in their turn to the advice of the League of Nations and of the Financial Committee, and also by countries which undertook their financial reconstruction independently.

With regard to stabilisation of currency, the classic example is that of the Austrian crown, followed by Hungary, Germany and Poland, to name only those countries in which the depreciation assumed an extremely grave character.

In 1920, at the time of the Brussels Financial Conference, the general conviction was that, before stabilising the currency, it was necessary to balance the budget. This belief is not perhaps erroneous to-day, but the concrete examples quoted above reveal the fundamental necessity of having a general scheme providing a complete and simultaneous system for the stabilisation of the currency and the balancing of the budget. The Austrian example further emphasises that, in a country with a greatly depreciated currency, it is impossible to obtain budget equilibrium as long as the value of the currency continues to fluctuate and, in consequence, impossible also to lay the foundations of an effective reform of the budget system.

Consequently, it was necessary to stabilise first, and then to aim at a system of budget equilibrium, which, becoming practicable in virtue of the stabilisation, in its turn made the latter permanent.

The corner-stone of currency stabilisation in all the countries which have benefited by the work of the Financial Committee was the creation of Banks of Issue independent of the Government. Independent banks of this kind were founded in Austria, Hungary, Danzig, and Estonia; in Bulgaria, Government influence over the National Bank was materially diminished, while, in the case of Greece, the Financial Committee has drawn up a set of statutes for a new Bank of Issue that may be regarded as a model of their kind.

The Financial Committee, side by side with its proposal for establishing these independent Banks of Issue, was responsible for a reform that has given the happiest results: the centralisation of the State revenues in the Banks of Issue. This reform was effected in Austria and in Hungary and, having led to the most satisfactory results, has been incorporated in detail in the new scheme for the reconstruction of Greek finances.

The second essential step in financial reconstruction is that of securing budget equilibrium. In this direction, the Financial Committee performed work of special importance in all the countries under study. The results obtained were extremely satisfactory. The Financial Committee is concerned not only to reduce expenses by advising reasonable and suitable economies but also to propose reforms of a nature to increase receipts. When the currency has been stabilised, the effect of these measures is to afford the Treasury a sound basis for assessing taxation, since the calculations are based on stable revenue figures.

The Financial Committee also insisted upon effective control being exercised by the Finance Ministry over the other ministerial departments, an essential condition of budgetary equilibrium. One of the most suitable methods of exercising this control is the system of monthly budgets and monthly closed accounts. This system was applied for the first time in Austria, on the initiative of the Commissioner-General, M. Zimmerman. It was subsequently applied in Hungary and Bulgaria, and is, it appears, followed at the present time in Poland and other countries.

Great importance was also attached to the regular publication of reports on the financial situation of the States in question. It is only by the publication of such information that public opinion both at home and abroad is able to follow and verify the management of the country's finances, and a large number of Governments now publish monthly or quarterly reports on their financial situation.

The application of the Committee's methods to financial reform had been so successful from a practical standpoint that their main outlines were followed in the most important plans for financial reconstruction in Europe, their general features being reproduced to a large extent in the principles laid down for the financial reconstruction of Germany. When plans of this kind are prepared by the Financial Committee and put into operation, their application is followed methodically and carefully by the Committee, and, as in all its other work, the Committee is careful to see that the essential part of the scheme—in this case, budgetary equilibrium—continues to be observed.

Let us now consider the work of the Financial Committee since the last ordinary session of the Assembly. During the latter half of 1926, the Committee devoted itself specially to execution of the scheme for the settlement of Bulgarian refugees, of which the British representative has given a detailed account. There is therefore no need for me to revert to the matter nor to give a further description of the remarkable work recently accomplished with a view to the financial reconstruction of Greece, of which the Italian representative has already spoken from this platform.

In 1927, the sessions of the Financial Committee provided two very characteristic examples worthy of special mention, for they constitute a fresh assertion of certain principles already applied in practice by the Committee. I refer, first of all, to the investigations and decisions relative to the financial situation in Danzig. The financial situation of the Free City was unsatisfactory and, before proceeding with reconstruction, energetic measures were necessary to bring about a reduction in expenditure. Moreover, it was essential that Poland should agree to allow the Free City of Danzig a larger share in the Customs receipts of the Polish Customs system, in which the territory of Danzig is included. At the same time, the Government of Danzig wished to institute a tobacco monopoly, for which the co-operation of Poland was indispensable, and to fulfil the obligations imposed by the Treaty of Peace upon the Free City. It needed all the authority of the Financial Committee and its ingenuity in finding compromises during the negotiations to achieve the solutions which made it possible to issue a loan last June. This loan provides funds for the liquidation of the floating debt, for the payment of the sums due under the Treaty

of Peace and for credits for the building of houses. The loan programme also provides for a system of supervision, which is designed in the same manner as the previous systems, to furnish a guarantee for the creditors, whilst ensuring that all necessary steps should be taken for the normal financial development of the country. As in the case of the Danzig Municipal Loan of 1925, supervision is exercised by a trustee, resident abroad, and is confined to the revenues assigned as security for the service of the loan and to the utilisation of its proceeds for the purposes mentioned in the programme.

The second example of the Financial Committee's work is provided by the study of the banking and currency situation in Estonia which rendered possible its reform. Although the Estonian budget had been stabilised in 1922, the financial situation of the country was unsatisfactory. The Bank of Issue was in a dangerous situation on account of the large number of frozen credits with which it was burdened. The Financial Committee recommended, first of all, the introduction of a currency law and the revision of the statutes of the Bank of Issue. The Protocol agreed upon with the Estonian representatives provided for the establishment of a gold exchange standard, laid down the principle that the Bank should have the sole right of issuing notes, and relieved the latter of its long-term credits, which were to be transferred to a mortgage institute. A foreign loan of 1,350,000 pounds sterling will make it possible to liquidate the long-term credits gradually.

Besides this work of financial reconstruction restricted to certain countries only, the Committee also occupied itself with the study of certain general questions—in the first place, with that of double taxation and tax evasion. In this connection, it appointed a special Committee composed of the high Treasury officials of different countries. This Committee worked for several years and reached its final conclusions in April 1927. The Committee of Experts drew up four draft Conventions for the prevention of double taxation and to establish judicial and administrative assistance between States in matters of taxation. On the proposal of the Financial Committee, the Council decided to submit this report to all the Governments for consideration and to summon a general meeting of experts in 1928. The Council has further decided to publish in one volume all the existing Conventions relative to double taxation.

The Financial Committee dealt also with the question of counterfeiting currency. It sent a questionnaire to all the Banks of Issue in order to obtain their opinions. On the basis of the replies received, it forwarded a report to the Council, which decided to appoint a special Committee to study the question and prepare a draft Convention. This Committee hopes to finish its task very shortly.

Lastly, attention must be drawn to the extremely useful work which the Financial Committee has accomplished as regards the proposal submitted by Finland for financial assistance to States victims of aggression. It is true to say that the courageous and detailed report of the Financial Committee shows a practical way of mobilising the financial resources of the States Members of the League against a State guilty of aggression, and furnishes a striking demonstration of the solidarity of the League's attitude against such a State.

Finally, I propose that the following resolution should be submitted to the Assembly :

"The Assembly takes note of the activities of the Financial Committee and expresses its great satisfaction with the highly useful work accomplished by it."

A.II/17/1927.

ANNEX 11.

SETTLEMENT OF GREEK REFUGEES AND FINANCIAL RECONSTRUCTION SCHEME.

DRAFT REPORT AND RESOLUTION SUBMITTED BY M. SUVICH (ITALY).

On June 14th, 1927, the Greek Government forwarded to the Secretary-General of the League of Nations a letter asking the Council to approve in principle the conclusion of a loan for an effective sum of nine million pounds sterling and to authorise the Financial Committee to assist Greece in the preparation of a complete plan of currency and banking reform.

In this way, the original idea of this loan, which was due to the necessity of completing the work of settling the refugees, changed its character and resulted in the larger conception of a complete and organic plan of financial reorganisation.

The work of settling the refugees, which had been undertaken under the auspices of the League of Nations and had already given valuable results, could indeed only be pursued with difficulty unless a scheme of financial reconstruction was first carried out.

The Financial Committee, at its session in March 1927, requested the Secretariat to collect the fullest possible information regarding the present financial position of the Greek Republic. The investigations were conducted on the spot by M. Avenol, Deputy-Secretary-General, and a number of members of the League Secretariat, with most exceptional energy and ability; the Greek Government gave effective assistance in the work by placing at the disposal of these officials all the information and data which they required. The Council having acceded to the Greek Government's request, the Financial Committee was instructed, in a resolution dated June 17th, 1927, to continue to co-operate with the representatives of the Greek Government and the National

Bank of Greece with a view to fixing the conditions under which the League of Nations might intervene.

The negotiations were continued and led to the framing of a draft Protocol, to which are annexed a draft agreement between the Greek Government and the National Bank of Greece and draft statutes of the new Bank of Issue. These documents form a vast programme, which embraces the various problems raised by the financial reconstruction of Greece.

The plan rests on three main bases, which constitute, as it were, the pivots of the reconstruction contemplated—the constitution of an autonomous Bank of Issue, the achievement and maintenance of budgetary equilibrium and the stabilisation of the currency.

Apart from these essential aims, the draft deals at the same time with the payment of budget arrears—an essential operation if stable budgetary equilibrium is to be achieved—and the completion of the work of settling the refugees, which will be one of its excellent results.

Taken as a whole, the draft has been planned with a breadth of view and an exactitude in matters of detail which does honour to the wisdom of the Financial Committee and the perspicacity of all who took part in the work.

The general lines of this programme follow the classical principles of sound financial policy and are laid down in such a way as to provide the country with a solid modern organisation.

The indispensable condition of achieving the results contemplated is, indeed, the issue of a loan which will furnish the funds required to carry out the important and difficult task proposed.

This loan, for an effective sum of nine million pounds sterling, will be divided into three equal blocks of three million pounds each. One block will be set apart for the completion of the work of settling the refugees, the second to pay off budget arrears, and the third to repay the debt owed by the Greek State to the National Bank, which will be passed to the account of the new Bank of Issue to provide the latter with the liquid funds required for its operation.

The primary feature of the proposed reform is the establishment of a new Bank of Issue, upon which depends the possibility of the stabilisation of the currency.

It had first of all been proposed to convert the National Bank of Greece into an institution better suited to perform the functions of a Bank of Issue, but in the course of negotiations it was decided that it was preferable for that Bank to continue to undertake the various operations not usually assigned to a Central Bank, and to establish a new Bank of Issue.

The Bank of Issue—to be known as the “Bank of Greece”—will be incorporated as a joint-stock company with a capital of four hundred million drachmæ.

The draft agreement between the Greek Government and the National Bank of Greece specifies the conditions governing the transfer of the debt represented by the Bank's notes in circulation to the new Bank.

This agreement also contains an arrangement concerning the transfer to the Bank of Issue of certain assets and liabilities of the National Bank of Greece.

From the time it is established, the National Bank of Greece will take over the whole of the shares of the Bank of Greece, and may subsequently offer them for sale on the financial market at carefully regulated intervals, in order to avoid any depreciation in the price of the shares.

The Committee's attention should be called to Article 4 of the statutes of the new Bank of Issue, which reads as follows :

“The first duty of the Bank is to take the necessary steps to ensure the stability of the gold value of its notes. For this purpose it shall exercise control, within the limits of its statutes, over currency and credit in Greece.”

The following article defines the measures to ensure the convertibility of its notes into legal currency of foreign countries with a gold standard or into currency convertible into gold according to the laws of those countries.

As regards the cover of the notes issued by the Bank, it is provided that this must represent not less than 40 per cent of the amount of the notes; this cover must consist only of gold or foreign exchange directly or indirectly convertible into gold.

The draft agreement and statutes contain all provisions of a detailed character required by the constitution and operation of the new Bank, as well as those governing its transactions, which are limited to loans and discount operations for short periods; it is further stipulated that the Bank must publish a balance-sheet three times a month and that all the other private banks must every month submit statements of their accounts to the Greek Government.

As a corollary to the establishment of the new Central Bank, an important reform will be introduced into the Greek administrative system. All receipts and payments must be passed through the Bank of Greece, which may employ the branches of the National Bank of Greece for this Treasury service.

To enable the Bank of Greece to commence operations, the Greek Government, as has been stated above, will pay over to it on its opening day a sum of three millions sterling from the yield of the loan; simultaneously, a portion of the State's debt to the Bank of Greece, included in the assets transferred to that Bank by the National Bank of Greece, will be cancelled.

The method of repayment by the Greek State of the balance of its debt to the National Bank, and subsequently to the Bank of Greece, is also provided for.

It will thus be possible to secure conditions in accordance with recognised principles for the efficient operation of a Central Bank of Issue upon which heavy responsibilities rest—in particular,

that of guaranteeing the stability of the currency. These principles, which are enumerated by the Financial Committee, are as follows :

- (a) The independence of the Bank;
- (b) The sole right of note issue;
- (c) The limitation of the Bank's operations to loan and discount transactions of a short-term and self-liquidating character;
- (d) The reduction of the State debt to the Bank and the well-defined limitation of new advances to the State;
- (e) The centralisation of the money transactions of the State and of State enterprises in the National Bank;
- (f) The provision of adequate and appropriate cover for a unified note issue.

We have already mentioned that another part of the loan, amounting to three millions sterling, will be employed for the repayment of the Treasury arrears, these arrears being repayable up to that sum out of the amount of the loan and, as regards the balance, out of the resources available from the Greek State which are enumerated in an annex to the Protocol.

The part of the loan thus employed will be paid direct to the Bank of Greece, which will release the necessary sums against documents issued by the Greek Audit Office certifying that those sums actually correspond to the settlement of the above-mentioned debts.

In the draft agreement, the Greek Government undertakes definite obligations concerning the maintenance of budgetary equilibrium, the publication of accounts, the limitation of the amount of its short-term loans.

The proposed securities for the new loan include the surplus of the revenues already assigned to the service of previous loans and at present under the supervision of the International Financial Commission.

A clause in the draft Protocol provides that the conditions of the loan, the issue price, the rate of interest and the expenses of issue, of negotiation and of delivery shall be at least as favourable to the Greek Government as those of the Refugee Loan of 1924. A person appointed by the Financial Committee shall be responsible for seeing that the contracts for the conclusion of the loan are in accordance with the provisions of the Protocol.

A few words must be added regarding the work of refugee settlement, for which the third part of the loan will be employed.

The quarterly reports of the Refugee Settlement Commission give an accurate and detailed survey of the development and progress of this work. In particular, the Fourteenth Report, that of last June, contains some very interesting information. There is every reason to be gratified with the results obtained thanks to the activity of all those who have taken part in this task of the highest moral, social and humanitarian value. When it is considered what has been done and what remains to be done, one conclusion becomes evident : it is impossible to interrupt such a work.

The Financial Committee is of opinion that the sum of three million pounds sterling added to the previous balance will suffice to meet the cost of the most urgent settlement work which it is important to complete in the next two years.

The general plan for financial reconstruction and refugee settlement—of which I have in this report been able to give only a summary account, but which can be seen in all its details in the documents to which I have referred—contains all the elements and provides every prospect of a successful result.

Greece, which in recent years has undergone a very remarkable economic development, has every interest in adapting its financial institutions to present conditions by means of appropriate reforms. It is in order to achieve this purpose that the Greek Government has applied to the League of Nations not only for its support in contracting the loan but for its advice in working out a complete plan of banking and currency reorganisation.

The League of Nations has been able to place at the disposal of Greece the weight of its experience and all the ability of its technical services.

Thanks to the perfect organisation of these services, to the skill of the experts which they include and to the experience which it has already acquired, the League is in a position to furnish very powerful support to the States which appeal to it.

In the case of Greece, since we are more than confident—we are certain—of success, one cannot speak of an experiment but rather of a realisation and, in any event, of a fact of the highest importance and of the greatest interest.

I have therefore the honour to propose to the Committee for submission to the Assembly the following draft resolution :

“ The Assembly,

“Has learned with great interest of the successful result of the negotiations which have taken place with a view to the issue, under the auspices of the League of Nations, of a loan to enable the Greek Government to take measures of financial and monetary reorganisation and to proceed with the settlement of the refugees;

“Specially appreciates the plan which has been drawn up for the formation of a new Bank of Issue and for the stabilisation of the Greek currency;

“Expresses its deep appreciation to all those who have collaborated in these investigations and especially to the Greek Government and the Financial Committee;

“Further approves the activity shown in the refugee settlement work and expresses the hope that this work will be successfully accomplished in the shortest possible time;

“Expresses, finally, the hope that all these plans will attain the most complete success.”

AII/22/1927.

ANNEX 12.

WORK OF THE INTERNATIONAL ECONOMIC CONFERENCE : ECONOMIC ORGANISATION OF THE LEAGUE OF NATIONS.

DRAFT REPORT SUBMITTED BY M. LOUCHEUR (FRANCE).

Two years have already passed since the Second Committee's Rapporteur on economic questions asked the Assembly to adopt a proposal by the French delegation asking for the constitution of the Preparatory Committee for the Economic Conference. Your unanimous approval of this suggestion was of good augury. In a few words you gave a general definition of the problem; you outlined the results which you hoped to achieve as regards the improvement of economic relations and the peace of the world.

It was in relation to the problem of security that, for the first time, our colleague M. Jouhaux reminded the League of Nations of its duty to restore peace in the economic relations of the peoples. When a more definite proposal was subsequently brought before the sixth ordinary session of the Assembly by the author of the present report, the delegates of all the nations assembled here immediately understood that, in a world still shaken by the great war, weakened by numerous financial crises and suffering from serious economic disturbance in the agricultural as well as in the industrial and commercial spheres, the League of Nations alone had the necessary authority to consider the various problems at issue as a whole, to define their causes and to recommend suitable remedies.

In conformity with your suggestions, the Council proceeded to a consultation on a wide basis; it had recourse to interests of all kinds, to various international bodies like the International Chamber of Commerce and the International Institute of Agriculture at Rome, and to the national professional organisations; and it called upon the Secretariat of the League of Nations and the International Labour Office for a prolonged effort.

The result of these two years' work has been submitted to the Second Committee. M. Theunis, with that lucidity of exposition, that force and that concision of thought which we all know, has given it an historical retrospect of the Preparatory Committee and of the Conference itself; he has emphasised the value of the recommendations which it drew up.

Too much stress cannot be laid on the importance which should be attached to these recommendations. They have the twofold characteristic of undoubtedly representing the opinion of the best qualified circles and of giving the League of Nations a unanimous opinion with all the authority of such an impressive combination of experts.

During the whole period of the Preparatory Committee's work, the members of the Committee themselves, assisted by the Secretariat and the International Labour Office, collected a series of documents, as complete as it was scientific, on all the problems to be dealt with. The Conference next impressed public opinion by the competence of the delegations composing it. Every country had sent to Geneva, in the capacity of delegates or experts, their most qualified industrial, commercial and agricultural representatives and their most tried authorities on labour, consumption, co-operation and economic relations in general.

It is unnecessary to expatiate longer on this subject; the value of the unanimity achieved was immediately appreciated throughout the world by all bodies interested in economic questions, and here at Geneva by the Council of the League of Nations. The Conference's recommendations were, indeed, at once submitted to the Council with a very favourable report of M. Stresemann. At its session last June its members made official declarations indicative of that determination—which is happily becoming general among nations—to organise economic peace as an essential condition of a peaceful and prosperous existence for all countries, whether strong or weak.

The Second Committee has just made a decisive step in this direction. It, too, has endorsed the Conference's proposals. To this unanimous opinion of the experts who met at Geneva in May, you are going to bring the powerful aid, the fruitful promise, of the support of your Governments. The resolutions which we have the honour to propose to the Assembly confirm the general will to work for the execution of the programme submitted to you by the Economic Conference. Its President, in his closing speech, quoted a characteristic sentence of the Commerce Committee :

“In spite of the variety of the questions raised, the diversity of theories and the legitimate national sentiments of all those who took part in the discussions, one important and extremely encouraging fact has emerged and, having emerged, has become increasingly manifest as the work has advanced. This fact is the unanimous desire of the members of the Conference to make sure that this Conference shall, in some way, mark the beginning of a new era, during

which international commerce will successively overcome all obstacles in its path that unduly hamper it and resume that general upward movement which is at once a sign of the world's economic health and the necessary condition for the development of civilisation."

This unanimous desire of the Conference has in its turn animated the Second Committee and will assuredly animate the Assembly also.

You have, moreover, to give your opinion as to the method of organising the work which has still to be done. In this, too, you will follow the suggestions of the Economic Conference, which considered that the Economic Organisation of the League of Nations should be adjusted so as to perform with success the delicate and complicated work entrusted to it.

As regards the details of this readjustment, opinions differed, but unanimity was reached on the following points: necessity of reorganisation; appreciation of the work done by the Economic Committee; excellent results achieved in the preparation of the Conference thanks to the composition and balance of the Preparatory Committee.

It is from an examination of the Conference's results and of its main conclusions that we have drawn the main ideas which the Assembly will submit to the Council.

These resolutions refer to the three chief categories of economic activity—commerce, industry and agriculture. In perusing them, we find considerations suggested which must lead us to give effect to the Conference's wishes.

It seemed to us necessary, in the first place, to retain the Economic Committee with its present competence, while adapting it to the new conditions of economic life. The resolution which we submit to the Assembly gives all the necessary particulars in this respect.

The Conference, knowing the value of the results already obtained by the Economic Committee expressly mentioned that Committee in its resolutions, thus proving the implicit confidence it felt in its work.

But the Conference also affirmed the necessity of the League of Nations and its Economic Organisation consulting, "*so far as necessary, the competent bodies representing commerce, industry, agriculture and labour*". In chapters full of promise for the future, it repeatedly emphasises the wide range of expert advice on which the Council should be able to draw; it should be able to obtain such advice at any moment from the Economic Organisation, which it set up to assist in one of its most valuable tasks—that of promoting economic peace.

This need of forming a group of economic authorities was emphasised in the recommendations of the Conference relating to industrial problems; the chapter on rationalisation, for instance, recommended that efforts should be made to obtain increased production, a higher output, an improvement in the conditions of labour and a reduction in prices "*in industry, agriculture, trade and finance institutions, not merely in large undertakings but also in medium and small*".

The same reasoning applies to international industrial agreements, the development of which, in the opinion of the Conference, should be followed closely by the League of Nations, which should collect information on the matter and publish it from time to time. It also holds good for *industrial information*. All the members of the Assembly are aware of the valuable resolutions adopted by the Conference on this subject. They know that these resolutions will call for daily and uninterrupted work, for which the Conference has already drawn up a detailed programme, special mention being made of the information to be obtained both from the Economic Organisation of the League of Nations and from the International Labour Office, the former being requested to draw up reports, studies and statements which will require the highest qualifications on the part of its members.

It is hardly necessary to remind you that the resolutions relating to agriculture show a great desire for permanent collaboration with the representatives of agriculturists. The work of agricultural co-operative societies, the development of credit and various other problems engaged the special attention of the Conference. In this respect, it laid definite tasks on the League of Nations. It drew up a programme for the League which cannot be successfully carried out unless agricultural interests are represented as widely as possible in the Economic Organisation of the League of Nations. It is the unanimous recommendation of the Second Committee that the Council should give very special attention to this important question of the representation of agriculture.

The opinion of the Conference, based not only on the experience of each delegation but also on the results obtained by the Preparatory Committee and by itself, was, generally speaking, that economic problems as a whole could only be examined successfully in their general environment and considered in their relation to one another, whether they were in their essence industrial, commercial or agricultural.

Confidence in the Economic Committee of the League of Nations, a considerable extension of the problems which have been studied until now, complexity of the task to be undertaken, necessity of close collaboration between all those who have to carry it out—such are the conclusions which emerge from the work of the Economic Conference.

In view of these considerations, we propose to the Assembly the creation of a new organ comprising competent authorities on industry, commerce, agriculture, finance, transport, labour problems and questions relating to consumption. This Advisory Committee would send its report direct to the Council and, in order to ensure the necessary liaison, would communicate them immediately to the technical organisations concerned. It would meet, on the request of the Council, whenever necessary and at least once every year.

We thought that the International Labour Office should be asked to nominate three workmen as members of this Committee. We also expressed the hope that the International Chamber of Commerce and the International Institute of Agriculture would be asked to give their assistance.

Finally, without venturing to make any definite recommendations to the Council, we suggest

that it would perhaps be well if the Advisory Committee could ask other organisations to join in its work, such as the new Institute for the Scientific Organisation of Labour and the Association of Consumers' Co-operative Societies.

Some of you may perhaps be inclined to think that this organisation is somewhat complicated, but the proposals which I have the honour to submit to the Assembly in the name of the Second Committee are the result of an exhaustive discussion in which account has been taken of every side of the problem and of all the interests concerned. We have been guided solely by the desire to provide the League of Nations with the means of pursuing its essential task, the establishment of peace through better international economic co-operation.

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