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OF THE

NINTH ORDINARY SESSION

OF THE

ASSEMBLY

MEETINGS OF THE COMMITTEES

MINUTES

OF THE

SECOND COMMITTEE

(TECHNICAL ORGANISATIONS)

GENEVA, 1928

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LIST OF MEMBERS.

Chairman: His Excellency M. Giuseppe MOTTA (Switzerland).

Vice-Chairman: His Excellency Dr. Ferdinand VEVERKA (Czechoslovakia).

Members:

- Abyssinia*: His Excellency Count LAGARDE, Duc d'ENTOTTO.
- Albania*: M. Djafer VILLA.
- Australia*: Major-General the Hon. Sir Granville de Laune RYRIE, K.C.M.G., C.B.,
V.D.
- Austria*: His Excellency M. Max HOFFINGER.
Dr. Richard SCHÜLLER.
- Belgium*: Viscount P. POULLET.
M. Fernand VAN LANGENHOVE.
- British Empire*: Mr. A. DUFF-COOPER, D.S.O., M.P.
- Bulgaria*: His Excellency M. Vladimir MOLLOFF.
M. Dimitri MIKOFF.
- Canada*: The Honourable Charles A. DUNNING, P.C.
The Honourable Philippe ROY, C.P., M.D.
- Chile*: His Excellency M. Luis V. DE PORTO-SEGURO.
His Excellency M. Jorge VALDÉS-MENDEVILLE (Substitute).
- China*: M. Samuel SUNG YOUNG.
M. CHEN TING (Substitute).
- Colombia*: M. Efraín GAITÁN-HURTADO.
Dr. Victor Vicente OLANO.
- Cuba*: His Excellency M. A. DE AGÜERO Y BETHANCOURT.
M. Ramiro HERNÁNDEZ PORTELA.
- Czechoslovakia*: His Excellency Dr. Ferdinand VEVERKA.
- Denmark*: M. Holger ANDERSEN.
M. Otto WADSTED.
- Dominican Republic*: Dr. Tulio Franco FRANCO.
M. Salvador E. PARADAS (Substitute).
- Estonia*: His Excellency M. Hans REBANE.
General Johan LAIDONER.
M. Jüri ŠAMMUL (Substitute).
- Finland*: M. Väinö VOIONMAA.
M. E. HYNNINEN and
Mme. Tilma HAINARI (Substitutes).
- France*: M. Louis LOUCHEUR.
M. Jules PAMS.
M. Léon JOUHAUX.
M. Paul BASTID.
- Germany*: Dr. Rudolf BREITSCHIED.
M. IMHOFF.
- Greece*: His Excellency M. Alexandre CARAPANOS.
M. B. PAPADAKIS (Substitute).
- Guatemala*: His Excellency M. José MATOS.
- Haiti*: His Excellency M. Alfred NEMOURS.
- Hungary*: His Excellency Baron Joseph SZTERÉNYI.
M. A. DE EGRY.
M. Joseph VÉSZI.
Count François HUNYADI.

- India:* Mr. S. N. MALLIK, C.I.E.
Mr. A. Yusuf ALI, C.B.E., I.C.S. (Retired).
- Irish Free State:* Professor John M. O'SULLIVAN.
- Italy:* M. Fulvio SUVICH.
M. Dino ALFIERI.
M. Ermanno AMICUCCI.
M. Ernesto BELLONI.
M. Edmondo ROSSONI.
- Japan:* His Excellency M. Matsuzô NAGAI.
- Latvia:* His Excellency M. Vilis SCHUMANS.
Dr. Peters OLINŠ (Substitute).
- Liberia:* M. Nicolas OOMS.
- Lithuania:* His Excellency M. Venceslas SIDZIKAIUSKAS.
Dr. Dovas ZAUNIUS.
- Luxemburg:* His Excellency M. Emile REUTER.
M. Gaston DIDERICH.
- New Zealand:* The Honourable Sir James PARR, K.C.M.G.
Mr. C. KNOWLES (Substitute).
- Netherlands:* M. E. HELDRING.
- Nicaragua:* His Excellency M. Tomas Francisco MEDINA.
- Norway:* M. P. L. KOLSTAD.
- Panama:* His Excellency M. Octavio MENDEZ PEREIRA.
- Paraguay:* Dr. Ramon V. CABALLERO.
- Persia:* His Excellency Hussein Khan ALÂ.
M. Abbas Khan EGHBAL (Substitute).
- Poland:* His Excellency M. Hipolit GLIWIC.
M. Witold CHODZKO.
M. Ladislas DE SCHWARZBURG-GUENTHER.
M. Adam BENIS.
- Portugal:* His Excellency Dr. Augusto DE VASCONCELLOS.
M. Francisco DE CALHEIROS E MENEZES (Substitute).
- Roumania:* Mlle. Hélène VACARESCO.
M. Vespasian V. PELLA (for Communications and Transit).
M. D. DRAGHICESCO, M. A. BUZDUGAN and
M. E. FILOTTI (Substitutes).
- Kingdom of the Serbs,
Croats and Slovenes,* His Excellency M. Djordjé DJOURITCH.
M. M. STRAZNICKI (Substitute).
- Siam:* His Highness Prince VARNVAIDYA.
Prince TONGTOR (Substitute).
- South Africa:* Mr. D. J. DE VILLIERS.
- Spain:* His Excellency Marquis DE LA TORREHERMOSA.
His Excellency M. Julio CASARES Y SÁNCHEZ (Substitute).
- Sweden:* M. J. L. WIDELL.
Mlle. K. HESSELGREN (Substitute).
- Switzerland:* His Excellency M. Giuseppe MOTTA.
Colonel Gottfried KELLER.
M. Walter STUCKI.
M. Camille GORGÉ (Substitute).
- Uruguay:* His Excellency M. Pedro COSIO.
His Excellency Dr. Alfredo DE CASTRO.
- Venezuela:* His Excellency M. César ZUMETA.
Dr. J. M. HURTADO-MACHADO (Substitute).
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SECOND COMMITTEE
OF THE NINTH ORDINARY SESSION OF THE ASSEMBLY.

(TECHNICAL ORGANISATIONS.)

AGENDA.

1. WORK OF THE HEALTH ORGANISATION.
 2. WORK OF THE ORGANISATION FOR COMMUNICATIONS AND TRANSIT.
 3. ECONOMIC AND FINANCIAL ORGANISATION : ECONOMIC QUESTIONS.
 4. BULGARIAN REFUGEE SETTLEMENT AND BULGARIAN STABILISATION LOAN.
 5. GREEK REFUGEE SETTLEMENT AND GREEK STABILISATION LOAN.
 6. ECONOMIC AND FINANCIAL ORGANISATION : WORK OF THE FINANCIAL COMMITTEE.
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FIRST MEETING.

Held on Tuesday, September 4th, 1928, at 10 a.m.

Chairman: M. MOTTA (Switzerland).

1. Opening Speech by the Chairman.

The CHAIRMAN, opening the meeting, said that he wished once more to thank the Second Committee for honouring him with its confidence and electing him Chairman. Hitherto, his experiences in League work had not led him into the field of economic questions, with which the Second Committee had to deal. He was sure that the Committee's primary intention in electing him had been to honour his country. If his own personality had played any part in influencing their choice, he supposed that his colleagues had wished to express recognition of his unswerving loyalty to the great ideals of the League.

2. Election of the Vice-Chairman.

On the motion of M. DE AGÜERO Y BETHANCOURT (Cuba), supported by M. NAGAI (Japan), 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 fourth time to be Vice-Chairman of the Second Committee.

3. Agenda and Programme of Work: Election of Provisional Rapporteurs.

The CHAIRMAN read the list of questions placed before the Second Committee.

He proposed that, in examining these questions, the Committee should adhere to the method adopted in previous years. This method, which had given good results, was to appoint for each question a provisional Rapporteur, who would conduct a purely objective preliminary enquiry and submit the results to the plenary Committee. The preliminary report would then be discussed, and subsequently the Rapporteur to the Assembly would be elected.

The procedure proposed by the Chairman was adopted.

The CHAIRMAN proposed the following Rapporteurs for the various questions on the agenda :

1. Work of the Health Organisation. — Rapporteur : Mr. O'SULLIVAN (Irish Free State).
2. Work of the Communications and Transit Organisation.— Rapporteur : M. NAGAI (Japan).
3. Economic and Financial Organisation : Economic Questions. — Rapporteur, M. LOUCHEUR (France).
4. Bulgarian Refugee Settlement and Bulgarian Stabilisation Loan.— Rapporteur, M. ROY (Canada).
5. Greek Refugee Settlement and Greek Stabilisation Loan.—Rapporteur : M. HELDRING (Netherlands).
6. Economic and Financial Organisation : Work of the Financial Committee.— Rapporteur : M. SUVICH (Italy).

With regard to the last two questions on the Committee's agenda : (1) Alcoholism, and (2) Relations between the League of Nations and Institutes or Bodies set up under its Authority, he suggested that Rapporteurs should not be appointed at the first meeting.

The question of alcoholism, in particular, raised delicate points, in respect of which there would probably be divergencies of opinion. It would be preferable to have a preliminary discussion on this subject before the Rapporteur was appointed.

He reminded the Committee that the question of intellectual co-operation had been referred by the Assembly to the Sixth Committee in order to lighten the agenda of the Second Committee.

The Chairman's proposals were adopted.

SECOND MEETING.

Held on Wednesday, September 5th, 1928, at 3.30 p.m.

Chairman: M. MOTTA (Switzerland).

4. Relations between the League of Nations and the Institutes or Bodies set up under its Authority: Appointment of the Provisional Rapporteur.

On the proposal of the CHAIRMAN, Dr. BREITSCHIED (Germany), *was appointed provisional Rapporteur.*

5. Question of Alcoholism: Proposal by the Finnish, Polish and Swedish Delegations.

The CHAIRMAN said that the members of the Committee had received the document containing the proposal presented last year by the delegates of Finland, Poland and Sweden, and seconded by the representatives of Czechoslovakia, Denmark and Belgium (Annex 1). He wondered whether it would not be possible to proceed to a preliminary discussion of this question immediately.

M. PAMS (France) feared that the question might assume a different character in the course of an extempore discussion, and asked that it should not be considered till a later date, especially as M. Loucheur was absent from Geneva at the moment and as the delegations which held divergent views had begun conversations in the course of which it would no doubt be possible to find a basis for agreement.

He added that the conversations had not hitherto borne upon the proposal contained in document A. 34, but had mainly dealt with the attempts made to suppress fraudulent practices in regard to alcohol. He reminded the Committee that France had signed an agreement with the United States of America on this subject, which was evidence that she was in no way opposed to fair concessions, although unable to commit herself entirely to the principles indicated in the document that had been distributed.

The CHAIRMAN remarked that the document was only intended as a basis for discussion, which bound neither the Committee nor the Assembly. Personally, he would be completely satisfied if agreement on this question could be reached, either by means of private conversations or by discussion in Committee.

M. DE VASCONCELLOS (Portugal) seconded the proposal of M. Pams and reminded the Committee that in last year's discussion on the question the Portuguese delegation had supported the view of the French delegation. It could not agree to the question of alcoholism being discussed in association with that of noxious drugs, but would not object to the question being dealt with in connection with fraud, as it would then fall naturally within the statutory framework of the League of Nations.

M. VOIONMAA (Finland) cordially supported the proposal of M. Pams and thought the Committee should endeavour to reach a unanimous solution of the question.

The proposal of M. PAMS was adopted.

6. Settlement of Bulgarian Refugees.

M. CHARRON (Commissioner of the League of Nations for the establishment of Bulgarian Refugees) gave a brief account of the results of the work connected with the settlement of Bulgarian refugees.

THIRD MEETING.

Held on Wednesday, September 12th, 1928, at 10 a.m.

Chairman: M. MOTTA (Switzerland); afterwards M. VEVERKA (Czechoslovakia), Vice-Chairman.

7. Economic Work of the League: Examination of the Report presented by M. Loucheur (France).

On the invitation of the CHAIRMAN, M. LOUCHEUR (France), Rapporteur, read his report chapter by chapter (Annex 2).

The Preamble and Chapters I and II were adopted without observation.

CHAPTER III.

M. LOUCHEUR (France) thought this chapter constituted what he might call the critical point of the debate. Some speakers in the Assembly had observed that the League's economic work ought not to develop beyond certain limits, and, in particular, that it must not encroach on the right of every people to direct its own Customs policy.

Further, an incident had occurred during the Council's June session, when certain measures to be taken as a result of the International Economic Conference had come up for consideration. This incident had given an impression that certain countries, such as Italy, would be opposed to any development of the League's economic work. M. Scialoja's remarks in the Council had concerned chiefly the proposed sugar and coal Conference.

Moreover, M. Belloni had made in the Assembly some interesting statements, very clearly and frankly expressed, which he (M. Loucheur) thought should be discussed by the Second Committee, so that it might state plainly what direction ought to be taken in the League's economic work.

According to M. Belloni's statements, Italy, which in regard to certain commodities was a consuming country, wished that, if conferences were to be held, producers and consumers should be represented equally and that the interests of consumers should be considered. M. Belloni had added that, particularly in regard to these vital interests, his country was perfectly willing to take a share in the work as it had always done. M. Loucheur wished particularly to thank M. Belloni for his statement. If he were asked to defend his report in the Assembly the following week, he would again express his thanks and appreciation.

He was in complete agreement with M. Belloni on two points: (1) the necessity for the League of grappling with a number of vital problems; (2) the equal necessity of not dispersing its efforts by interfering with the lives of nations in connection with problems of no vital importance. Consequently, while endeavouring to prosecute and develop the economic work of the League, the Committee must bear in mind that it should not be unduly extended, particularly in directions in which it might prove more troublesome than beneficent.

The holding of a conference on sugar and coal was a matter of special interest both for consuming and for producing countries. France attached great importance to it. Certain nations, which had been described as small nations, had at times felt some apprehension at the idea of being ruled by the great producing countries. It was true that, if the movement did not take its rise from Geneva, if the precaution of bringing the representatives of producing and consuming countries together were not taken, the producing countries would meet by themselves and dictate their wishes to the others. For that reason it was necessary for producers and consumers to talk around the same table—in other words, for the movement to take its rise from Geneva.

France, for example, was both a producer and a consumer of coal. She need not therefore concern herself with the problem. She was proposing, however, that a conference should be held, because she knew that international arrangements alone could prevent those violent upward or downward fluctuations which caused such serious disturbances in the industrial life of nations and had such grave social consequences. The curve of world coal prices showed a series of heavy drops. Would it not be better that that curve with its continual drops should give place to a more even curve representing a regulation of prices which would enable the various producing countries to supply the raw material at reasonable rates fixed by agreement with the consumers? What was to be said of the fact that a shortage of ten or fifteen million tons of coal on the European output—which was 700 million tons a year—was enough to make the price of coal soar to fantastic heights? Anybody could see how necessary it was to take steps to remedy this situation.

In conclusion, he asked the Committee to say that the discussions now in progress must be confined to vital industries. It would be a great mistake to bring the League into all the daily economic activities of every nation. The aim of the League was to be the controller of the larger developments of economic life. The International Economic Conference had quite rightly understood that its duty was to uphold the rights of everybody, whether producers or consumers, and whether belonging to great or small nations.

M. BELLONI (Italy) thanked M. Loucheur for the remarks he had just made with regard to his (M. Belloni's) speech to the Assembly. The recognition of the principle that the Economic Consultative Committee of the League of Nations must take into consideration the interest of each country inspired confidence in the work of the League.

The Italian point of view, which M. Scialoja had expounded to the Council in June 1928, had been misunderstood. M. Scialoja had felt bound to protest against the excessive increase of expenditure in which the League of Nations was involved by the constant proposals to summon international Conferences on all kinds of subjects. It was only possible to defend this point of view as a whole, without going into details. For that reason M. Scialoja had dealt with the problem in a general way, while admitting that it was essential to solve the sugar and coal problems.

In the opinion of the Italian delegation, the coal problem was one of the most important to be discussed. The co-operation of producers and consumers in solving this problem would confirm the principle which he had advocated before the Assembly, namely, that over-production and under-production should be regarded as crises. If he took part in the work of the proposed Conference, he would undertake to support the views put forward by M. Loucheur with regard to the influence of slight fluctuations in production on the rates prevailing in the world markets. Derivatives of coal were a striking example of this phenomenon.

He therefore entirely supported the observations of M. Loucheur.

M. VAN LANGENHOVE (Belgium) recalled that it was a Belgian member of the Economic Consultative Committee who originally raised the question of coal and sugar. Belgium attached the greatest importance to these two questions. She was a large producer of coal but a still larger consumer. This statement should set all minds at rest as regards the spirit in which the Belgian proposal had been made.

With regard to sugar he recalled that it was at Brussels in 1902 that the first International Sugar Conference had been held, which had established principles which were singularly novel for the period. Like the Italian delegate, he heartily seconded the Rapporteur's judicious observations.

Turning to the financial aspect of the question, he recalled that the Economic Committee had received instructions from the Council to act on the resolution adopted by the Economic Consultative Committee. However, no provision had been made in the budget for the necessary expenditure. He therefore asked whether the Second Committee should not submit the question to the Fourth Committee, with all the information necessary to enable the Fourth Committee to take a decision.

Sir ARTHUR SALTER (Director of the Economic and Financial Section of the Secretariat) said that the budget of the Secretariat submitted to the Assembly had been drawn up before it had been decided to undertake these studies on coal and sugar; no provision had therefore been made for them.

Another important piece of work had been contemplated by the Economic Committee: the grouping of commodities in order to arrive at a diminution of Customs tariffs, group by group. The total allowed in the budget for this purpose was far less than the expenditure which would be required. Further credits must therefore be provided in the budget for the enquiry into these two questions — sugar and coal and the grouping of commodities.

The Fourth Committee, when it examined the items relative to the Economic and Financial Organisation, would have before it the views of the Second Committee on the work proposed. He did not think, however, that the provisions for the total work of the Economic and Financial Organisation would necessarily have to be increased to the whole amount of the expenditure required by the further studies which he had just mentioned, because some other work for which provision had been made in the budget would not now be required. It should, however, be understood that the actual provisions of the budget for the work of the Economic Committee should not be strictly binding as to the exact allocation of the sums between the various classes of work undertaken by the Committee. He thought that a communication to this effect should be made to the Fourth Committee.

M. GLIWIC (Poland) said that the Polish delegation had in the previous year enthusiastically welcomed the Belgian proposal to conduct an enquiry into the coal and sugar industries. Poland was a large coal and sugar producer and regarded the proposed enquiry as vitally important. He also considered that the other questions to which Sir Arthur Salter had alluded were very important, not only in themselves, but also because they might promote better international relations.

Another question which had not yet been touched upon was that of international agreements between groups of industries. He thought it might be advisable to appoint a small sub-committee to go into this matter with the Fourth Committee in order to arrange for the provision in the budget of the sum necessary for the proposed enquiry.

The CHAIRMAN requested M. Gliwic to defer making his request until the general discussion took place.

M. DE VILLIERS (South Africa) had noted in the section on agriculture that negotiations had been initiated with a view to establishing closer contact between the League of Nations and the International Institute of Agriculture. He enquired whether these negotiations had borne fruit.

Sir Arthur SALTER (Director of the Economic and Financial Section of the Secretariat) replied that the negotiations had been entered into in July, but no definite results could be announced until after the bi-annual meeting of the International Institute at Rome, which would take place in October 1928. He hoped that the conversations which had taken place between the Director of the International Institute of Agriculture, the President of the World

Economic Conference and the Acting Secretary-General of the League of Nations would ensure closer co-operation between the two bodies. Meantime, arrangements had been made in order to ensure practical co-operation during the transitional period.

M. PROCOPÉ (Finland) first paid a tribute to the excellence of M. Loucheur's report. He reminded the Committee that, in his speech in the Assembly two days previously, he had referred to the great importance which certain countries would attach to enquiries and studies on the question of lumber and industries employing lumber as a raw material. He would like to know whether timber had been included in the number of raw materials which Sir Arthur Salter had mentioned as subjects for a special enquiry with a view to the reduction of Customs duties levied thereon. In particular, he would like to know whether the proposed enquiry would commence next year, as it would be of considerable interest, he thought, to several countries.

M. SERRUYS (France), replying to M. Procopé, explained that the Economic Committee, when it had taken up the task of determining the groups of products which should be examined with a view to concerted action for the reduction of Customs tariffs, had found that the terms of reference given by the Consultative Committee, which had first studied the question and had fully realised its complexity, were very vague.

There were two points, however, which emerged from these instructions: first, that the products in question should be of vital importance for the economic life of nations, and, secondly, that these products should be matters of concern to regions of the world so diverse as to awaken the interest of a large number of nations, since it would be necessary to provoke a collective movement. The Economic Committee had therefore first prepared a provisional list of products. It had been guided in its choice partly by the fact that certain of these products had already formed the subject of private or international agreements between producers in various countries. The ground having thus been explored, it was easier to find a solution.

The provisional list had been established on the basis of this preparatory work. At the head of the list of products chosen came aluminium, with regard to which an important question had now arisen. Germany was a great producer of aluminium. She had hitherto totally prohibited the import of this metal. As a result, however, of the Conference for the Abolition of Import and Export Prohibitions, and the Conventions resulting therefrom, Germany found herself obliged henceforth to open her frontiers. Thereupon, there arose in her case two difficulties. First, she had no Customs duties on aluminium, whereas most other countries possessed such duties. Secondly, there existed both a European and an American aluminium trust. What attitude, therefore, should Germany adopt? Should she impose a Customs tariff upon aluminium or should the other European countries undertake to abolish their duties on this metal? Germany had communicated to the various countries of Europe a proposal to the effect that duties on aluminium should be abolished. He thought that, if a successful agreement could be reached on this subject, it might be taken as an example.

Among other products they had selected as suitable subjects for international agreements for the reduction of duties were cement, leather and finally iron, which might be regarded as a barometer of the economic activity of the various countries. They already had under contemplation a Conference for the Unification of Duties on Finished Products.

The question of lumber and sawn wood was already being examined and M. Dolezal had been instructed to submit a report on the subject. This enquiry was particularly difficult, because here the ground had not been prepared by private or international agreements. Timber was, moreover, one of the products to which most fantastic tariff rates were applied, seeing that certain countries, in order to encourage their sawmills, totally prohibited the import of sawn wood, and that others, for the same purpose, prohibited the export of lumber. There were, therefore, countries whose interests were entirely divergent, and it could hardly be said that the solution of the problem was imminent, in spite of its importance to a great number of industries.

Among the other products in the provisional list were included cellulose and paper, fresh fruit, fresh vegetables, on which fairly heavy duties were levied in various countries, and rice, in view of the enormous importance of this product in Far Eastern countries. M. Procopé would therefore see that the interests of his country had not been forgotten in the present programme of the Economic Committee.

M. PROCOPÉ (Finland) thanked M. Serruys, and noted with satisfaction that cellulose and paper, two products the manufacture of which was intimately bound up with the timber industry, were included in the number of contemplated enquiries. In certain countries prohibitive duties were levied on these products. He expressed a hope that consideration of these questions would not be deferred owing to budget necessities, and relied on M. Serruys and the Economic Committee to overcome any difficulties which might arise.

Chapter III was adopted.

CHAPTER IV.

M. HELDRING (Netherlands) offered his excuses for dealing, in connection with Chapter IV of the report, with the subject which also would come up under Chapter VI. He referred to the tariff situation, which, in the opinion of the Netherlands Government, was hardly satisfactory.

One of the recommendations of the Economic Conference concerned the level of tariffs, which appeared to be a serious hindrance to trade. So long as the world, and especially Europe, remained divided into separate compartments by high tariff walls, freedom of trade would be very materially restricted and economic restoration would remain impossible. It was true that there had been economic progress in the last few years, but that was due mainly to the improvement in the financial situation brought about in the various European countries by the stabilisation of currency.

What had been done in the matter of tariffs since 1927? The Consultative Committee, at its meeting in May 1928, had noted with great interest the strenuous work accomplished by the Conference over which M. Colijn had presided. That work had been fruitful in the domain of prohibitions, thanks to the co-operation of several countries.

In the domain of tariffs, however, the Economic Committee had encountered very great difficulties in obtaining collective action. On the other hand, it had decided—and this decision had been approved by the Consultative Committee—to consider the possibility of concluding agreements on various groups of articles mentioned by M. Serruys.

What had the various States accomplished up to the present? Governments had been influenced by the recommendations of the Economic Conference in that several had proceeded to conclude treaties of commerce involving considerable reductions in tariffs and import duties. In addition, certain increases in Customs duties, which had been contemplated before 1927, had not been put into force.

But the public, wondering what had been done to reduce import duties in general and unaware of the difficulties encountered by the Economic Committee, held that very little had been done. Patience was recommended, in view of a possible change of opinion in certain States which hitherto had been in favour of a more liberal regime. The situation, however, appeared to be sufficiently alarming. If one of these States, the most important indeed, in which protectionist tendencies appeared to be gaining ground daily, instituted a general tariff, or even import duties on several important articles, the effect on the economic position of other States might be very harmful and the work of the Economic Conference might be seriously threatened in this domain.

Therefore, while it fully understood that any concerted action for a general decrease of tariffs was not practicable for the present, the Netherlands Government thought it most important that the enquiries now being conducted by the Economic Committee concerning concerted action, in respect of certain groups of commodities, should be brought to a satisfactory and speedy conclusion. The position was certainly dangerous and the situation was precarious.

M. VAN LANGENHOVE (Belgium) thought that a special appeal should be addressed to the States signatories to the Conventions for the Abolition of Export and Import Prohibitions, whose abstention from the application of the terms of those Conventions might prevent useful results being obtained. Belgium was not among these States. If the Conference which had prepared the Agreements, had not mentioned her name, it was because, being aware of the political tendencies of this country, it had wished to show a mark of confidence. The Belgian Government was anxious to show itself worthy of such confidence. Availing himself of an exceptional prolongation of the parliamentary session, he had been able to submit the agreements to Parliament early in the month and to urge that they should be approved.

In conclusion, he expressed the hope that in this respect a spirit of healthy emulation would spring up amongst the signatory States.

M. DJOURITCH (Kingdom of the Serbs, Croats and Slovenes) inferred from the discussion which had just taken place that it was proposed to undertake an international study of certain groups of products, a list of which had been supplied by M. Serruys. He noted, however, that this list dealt more especially with industrial products and included only two agricultural products, viz., rice and fresh and dried vegetables. In some countries, certain agricultural products were consumed in greater quantities than vegetables, as, for instance, wheat, from which bread was made. Had wheat by any chance been forgotten?

He also asked whether certain other agricultural products not mentioned on the list had been forgotten and why pre-eminence had been given to industrial products.

M. LOUCHEUR (France), Rapporteur, replied that the list in question was not restrictive. He drew M. Djouritch's attention to the fact that too heavy a task must not be imposed on the Economic Committee, else it would assuredly fail. The problem of wheat, for instance, which particularly concerned France, would make it necessary to secure an agreement in the individual countries as to the conditions under which it must be dealt with. The great difficulty

confronting the Economic Committee was having to proceed to an international enquiry on products with regard to which there was no national policy.

He added that the Economic Committee would direct its efforts equally towards the interests of agriculture and those of industry, but that it must not be expected to progress too quickly, as that would lead to disaster.

Chapter IV was adopted.

CHAPTER V.

M. BELLONI (Italy) noted with satisfaction the importance attached by M. Loucheur to the preparation of a unified and simplified Customs nomenclature. He considered that it would be impossible to arrive at any agreement until uniformity was established. This was one of the most important features of the work before the Economic Organisation of the League of Nations.

He wished to know whether any Government had yet expressed an opinion on the proposed Customs nomenclature which had been drawn up.

Sir Arthur SALTER (Director of the Economic and Financial Section of the Secretariat) said that the Secretariat had as yet received no formal reply from any Government, but added that the draft nomenclature had only been submitted to the Governments in June 1928.

M. GLIWIC (Poland) agreed with M. Belloni in considering that the establishment of a unified and simplified Customs nomenclature was one of the most important features of the work before the League of Nations.

He added that, when establishing a new tariff, Poland had adopted as a basis the nomenclature prepared by the League of Nations.

Chapter V was adopted.

Chapters VI and VII were adopted.

CHAPTER VIII.

M. GLIWIC (Poland) stated that in certain countries the veterinary question was of primary importance. The sanitary restrictions, which were often very stringent, constituted one of the most serious hindrances to international trade. He therefore requested that the following sentence should be added to Chapter VIII of the report :

“ The success of this work will be an important step forward towards that freedom of trade which has been recommended by the International Economic Conference.”

The CHAIRMAN said that the reading of the report would be followed by a general discussion, and begged M. Gliwic to renew his proposal during the discussion.

M. DJOURITCH (Kingdom of the Serbs, Croats and Slovenes) seconded M. Gliwic's proposal, though he accepted the ruling of the Chairman. He considered that the Polish proposal was in perfect harmony with the general ideas of the Economic Committee. Its aim was to define the needs to which the veterinary restrictions and regulations corresponded, without losing sight of the necessity for facilitating international exchanges, which must be the main aim of all members of the Committee.

Chapter VIII was adopted.

Chapters IX and X were adopted.

DRAFT RESOLUTIONS.

M. LOUCHEUR (France) pointed out that paragraph 6 of the draft resolutions really met the views of M. Gliwic.

Mr. DUFF-COOPER (British Empire) proposed to submit two amendments of form to the drafting of M. Loucheur's report, but agreed to hold them over till the end of the general discussion.

The CHAIRMAN asked members of the Committee who had amendments to make to the report to submit them that day, if possible, to the Economic Section of the Secretariat, which would transmit them to M. Loucheur.

The draft resolutions were adopted.

The report as a whole was adopted with its resolutions, subject to such formal amendments as might still be proposed by members of the Committee.

FOURTH MEETING.

Held on Thursday, September 13th, 1928, at 10 a.m.

Chairman: M. MOTTA (Switzerland).

8. Question of the Reasonable Limitation of the Budget of the League: Letter from the Chairman of the Fourth Committee.

The CHAIRMAN read the following letter received from the Chairman of the Fourth Committee:

“ I have the honour to inform you that, at its fourth meeting held on September 12th, the Fourth Committee adopted the following resolution:

“ The Fourth Committee, having examined the draft budget for 1929 and noted the rapid increase in the credits demanded, which at present represent about 9 per cent as compared with the 1928 budget, draws the special attention of the other Assembly Committees to this position at the moment when they are about to consider the work contemplated for the League, and asks them to bear in mind the necessity for a reasonable limitation of the expenditure of the League.

“ Similarly, the Fourth Committee requests the other Committees to revise the programme of Conferences for which provision is made in 1929, and to limit them to those which cannot be postponed till 1930, and, more generally, to examine especially the budgets of the Economic Organisation and the Transit Organisation, of the opium and humanitarian activities and of the codification of international law, and to make proposals for restricting expenditure and to suggest any other direction in which economy can be effected, taking account particularly of the effect that the new tasks may have on the increase of the permanent staff.”

The Committee noted the letter of the Chairman of the Fourth Committee.

9. Economic Work of the League of Nations: General Discussion.

M. COLIJN (Netherlands) thought he could make his statement short, since the Rapporteur had dealt very fully with the question. He would therefore restrict himself to a brief outline of the principal contents of the Convention of November 1927 and the supplementary Convention of July 1928, and would refer to the report prepared by the Economic Committee for the Consultative Committee.

Under the main article, the signatory States undertook to abolish all import and export prohibitions and restrictions within a period of six months from the date of the coming into force of the Convention. Article 4 permitted States to retain prohibitions or restrictions the abolition of which on grounds other than economic might be impossible. The third article allowed of resort to restrictive measures under extraordinary or abnormal circumstances. In the course of the discussion, it had been found necessary to grant certain exceptions to the general rule. These exceptions were only temporary and unimportant, and were divided into two classes. They were dealt with in Article 6 of the Convention.

The first category of exceptions was granted in order to allow the contracting parties not to apply immediately, as regards certain products, the engagements entered into under Article 2. In the course of the discussion other difficulties were encountered, particularly with regard to export prohibitions on raw hides and skins and bones. These difficulties had caused delay, and had necessitated a second Conference which had been held in July 1928. On that occasion, various minor exceptions had been added. Amongst the important exceptions of a temporary character he would mention those regarding dyestuffs, scrap iron and scrap of other metals, and coal. Having regard to the capital importance of these products, the exceptions relating thereto might have seriously impaired the value of the Convention, had not the States concerned undertaken to withdraw them as soon as circumstances permitted, and had this undertaking not been strengthened by a provision allowing any contracting parties at the expiration of three years from the date of the signing of the Convention to resume their freedom of action as regards prohibitions, if any one of the exceptions allowed by Article 6, paragraph 1, still existed. The value of the Convention therefore depended very largely upon the attitude adopted at the end of the three years by the States which had been granted exceptions.

Article 8 of the Convention provided for the settlement of any dispute as to the interpretation or application of the provisions of the Convention, excluding Articles 4, 5, and 6.

He would next draw special attention to Article 9. The significance of the Convention would be greatly enhanced if the contracting parties would try to extend the possibilities of friendly settlement between themselves.

He thanked M. Serruys and his colleagues for their work in connection with the Conference on hides, skins and bones, which had greatly influenced the work of the main Conference on prohibitions and restrictions. He wished also to pay a tribute to the spirit of co-operation shown by his colleagues at the main Conference. That Conference had clearly proved the advantage of concerted action through the League of Nations in the economic field. Not only did countries learn to understand each other's difficulties, but much time was saved.

On the important question of ratification, he would point out that commercial relations would be greatly improved as soon as the Convention came into force. A considerable number of prohibitions and restrictions would then disappear. The coming into force of the Convention was dependent upon a certain number of ratifications. Conventions were only useful after they were ratified. He had no doubt that the necessary ratifications would be obtained in time. Between the first Conference, where the Convention, properly speaking, was drafted, and the second Conference, a month had elapsed. During that time the respective Governments had had a full text of the Convention before them, and they would certainly not have instructed their representatives to sign the supplementary agreements in July last, if they had not intended to obtain the approval of their Parliaments, where necessary. Confident as he was, however, he agreed with the delegate for Belgium, who had said at the last meeting that there was no time to be lost, inasmuch as the required ratifications had to be deposited before September 1929. The varying political organisation of the respective countries might cause considerable delay, and he would urge delegates to bear in mind that such delays must not be allowed to affect the Convention. He was glad that the Belgian Government had taken the lead in getting the Convention ratified by Parliament.

It would be ungrateful not to mention the immense services rendered by the World Economic Conference of May 1927. After the war, a great many trade barriers had been created, and even in May of last year a number of new tariffs had been in preparation. The World Economic Conference had checked the movement towards increased tariffs, and, even though in some countries tariffs were now rather higher than they had been in May 1927, a fair comparison between then and now would have to take into account two considerations: first, that an increase in tariffs was inevitable as a result of certain monetary changes, and, secondly, that the tariffs actually adopted were considerably lower than those it had been proposed to apply. In this connection he would quote the example of France. In her Treaty with Germany, the duties imposed were from 30 to 60 per cent, and in some cases even 80 per cent lower than the duties originally suggested, and, since France had adopted the most-favoured-nation principle, her present attitude had a significance which extended to a much wider field than her relations with Germany alone.

It would certainly be unwise to over-rate the influence of the World Economic Conference, but it would be fatal to under-rate its very real significance or undermine confidence in the possibilities afforded by the League in this field. The Conference had certainly brought about a changed spirit which had made it possible to conclude the Convention for the Abolition of Prohibitions and Restrictions.

Referring to the experience gained during the Conference, he would say that, in the first place, it had proved a much bigger task than had at first been expected. Secondly, the difficulties encountered had made a second conference necessary, and, even then, it had been necessary to convene a meeting of experts of thirteen different countries to deal with the special question of hides and skins and bones. Instead of one conference, there had been four.

He deduced from this that successful results could not be obtained in a given space of time, and also that it was extremely difficult to calculate beforehand the amount of money required to complete work once it had been started. He had, of course, no authority to speak on budgetary matters, but he had been an interested listener at a previous debate where the question of stabilising the League's budget, and hence the work of the Economic Section, had been discussed. This was only the initial stage, for actually the work of the Economic Section had hardly started until May 1927, and to stabilise expenditure now would be to restrict its activity in such a manner that much of the work undertaken would have to be abandoned.

Other and more important conclusions might be drawn from the experience of the Conference on Prohibitions and Restrictions. That Conference had endeavoured to discover the best methods of arriving at lower tariffs. After studying different methods, in particular, the maximum limit system and the system of gradual reduction by percentages, it had ultimately found that a method which consisted in attempting to reduce by collective negotiation the duties on certain classes of products was the system which promised most practical results. The Conference had concluded, in its report to the Consultative Committee, that in any case the Economic Committee was inclined to give preference, as regarded concerted action, to efforts made in con-

nection with certain specified classes of commodities, and it had stated explicitly that it attached the greatest importance to hearing the Consultative Committee's opinion on that point.

He would remind his colleagues that the Consultative Committee had advised the Council to follow up the suggestions of the Economic Committee in this matter, and that the Council had acted on that advice.

The Finnish delegate, at the previous meeting, had desired to add timber, and the delegate of the Kingdom of the Serbs, Croats and Slovenes had also desired to add agricultural products, to the list of commodities which the Economic Committee was to study. There was, therefore, no lack of work before the Committee. The experience he had gained had convinced him that the Economic Committee was on the right track, and he would like to see it put in a position to carry its work to a successful conclusion. The work now under consideration had originated with the recommendations of the World Economic Conference in May 1927. Those recommendations had been approved by the Council in July 1927, and they had been approved by the Assembly in September of that year. Altogether, they had been approved by twenty-nine Governments. The world was waiting for results, and comparatively quick results were necessary to prevent a relapse into the errors of the commercial policy of a few years ago.

As no provision had been made in the budget of the League for expenditure involved by the work contemplated, he wished to support the proposal of the Belgian delegate, who, at the last meeting, had asked the Second Committee to draw the attention of the Fourth Committee to the enormous amount of work entrusted to the Economic Committee after the estimates for 1927 had been prepared. On the other hand, it was impossible precisely to estimate what money would be needed to carry out that work. He would conclude by repeating his personal conviction that a parsimonious policy with regard to the economic work of the League was, in present circumstances, nothing less than a crime.

The CHAIRMAN announced that the Rapporteur, M. Loucheur, was obliged to be away from Geneva until Monday morning. Without wishing to appear to curtail the discussions, he would ask the seven speakers yet remaining to be good enough to be as brief as possible. The applause with which M. Colijn's statement had been received showed how much interest the members of the Committee had taken in it.

Professor O'SULLIVAN (Irish Free State) said he was unable fully to share the view of the Rapporteur that the fears of the economically weaker countries in regard to the recommendations of the World Economic Conference were groundless. While realising the necessity for the recommendations of that Conference, generally speaking, he wished to make certain reservations, one on the question of tariffs and the other on the agricultural policy of the League's Economic Organisation. He quite realised that a tariff war was a danger to Europe and to the world, but he wished to call attention to what he considered to be the failure of the Economic Organisation to give to the undeveloped countries, such as his own, the consideration to which they were entitled. The Irish Free State was by no means a doctrinaire protectionist State. The fact that it was mainly an agricultural country made it obligatory for the Government carefully to examine any proposal for the imposition of tariffs on industrial products, a step that might have the effect of raising the "cost of living" for the farmer.

The Irish Government had been compelled to impose certain moderate tariffs. In spite of M. Loucheur's assertions to the contrary, he thought that the industrially undeveloped countries had real reason to fear that the general policy of the World Economic Conference would prove strong enough to override such assurances. The whole tendency of that Conference had been either to stereotype the present geographical distribution of industries in Europe, or, even worse, to accentuate still further the differences which already existed, still further to concentrate in the larger and stronger States most of the industrial work. In the present condition of agriculture in Ireland, it was necessary for that country to procure a better balance within its borders between agriculture and industry, and the World Economic Conference had given Ireland and countries similarly placed no help in that respect.

Although it was admitted in the World Economic Conference that, unless agriculture was in a sound condition, no other industry could be sound, yet, when one came to the actual suggestions for dealing with the present condition of agriculture, there was almost a complete absence of a new policy. It was pointed out, for instance, that the farmer at present received for his produce some 40 per cent more than he had received in 1914, but that his expenses were increased by 80 per cent. That lack of equilibrium existed in Ireland, and apparently also existed in most countries of the world, but the causes of that lack of equilibrium had not been examined, and consequently no new policy had been put forward to deal with the matter.

He agreed with the representative of the Kingdom of the Serbs, Croats and Slovenes, who had expressed the view that commercial and industrial considerations had been predominant in the World Economic Conference and in the policy being pursued as a result of the Conference. He admitted that there were a good many economic problems which could and must be solved

along the lines adopted by that Conference in 1927. But he would suggest that this policy would only go a certain way towards solving the difficulties. The remedies suggested were at best negative, and something positive was required, especially in regard to the particular class of country he had in mind. He did not object to the main idea of the Conference, but he thought it had been pushed altogether too far. In framing the policy, sufficient distinction had not been made between countries that had very low tariffs and those that had high tariffs, nor had sufficient allowance been made for the very varied industrial development of different countries. The pendulum should be swung back in the direction of free trade, so far as Europe as a whole was concerned, especially as the economic condition of Europe had become very unsound since the war, States having to a great degree forgotten the extent of their interdependence. But he thought an effort had been made to swing the pendulum back too far. He agreed that the work of the Economic Organisation should be continued, but he asked that special care should be given to the conditions of the less economically developed countries, and also especially to the conditions of agriculture.

M. Hussein ALÂ (Persia) said that he wished first of all to pay a tribute to M. Loucheur's excellent report. In spite of her difficult economic position and persistently unfavourable trade balance, Persia, which was an agricultural country and very different from European States, was being guided to an ever-greater extent by the principles set forth by the World Economic Conference and put into practice by the League's Economic Organisation.

The Persian Parliament had recently passed a Customs tariff—Persia's first autonomous tariff—which, while endeavouring to safeguard the essential interests of the country, had not established prohibitive duties. This tariff was far from being a weapon of combat; in fact, it was not even adequate to the real needs of the country, which demanded higher duties.

In the new commercial treaties concluded by Persia with foreign Powers, no discrimination had been made between the various countries. Persia hoped that the other Powers would show the same regard for her and would lower the exorbitant and even prohibitive duties which they now imposed on certain Persian products, and in particular on carpets.

In concluding, he wished to express Persia's gratitude to all the States which had shown their goodwill in negotiating fresh treaties confirming the principle of complete equality and recognising Persia's tariff autonomy.

M. GLIWIC (Poland) was also glad that the Committee had entrusted to M. Loucheur the report on the League's economic work.

He also desired to pay a tribute to M. Serruys.

He wished to emphasise the great importance of the Conference for the Abolition of Import and Export Prohibitions and Restrictions which had met during the past year, and to stress the positive value of the agreement resulting from the Conference. The first multilateral commercial treaty, although incomplete and concluded amid the greatest difficulties, embodied effectively the spirit of the World Economic Conference. This first stage in the work of the Economic Conference was a reply to those who already saw the decisions of May 1927 fading away in a cloud of theory.

Obviously, the Convention was far from perfect and far from realising freedom of trade as it was then contemplated. Products which from the point of view of international trade were essential—such as coal—had remained under the anti-liberal system of prohibitions, and this state of affairs obtained precisely in those continental countries which were rightly considered to be champions in the struggle for the abolition of obstacles to trade. For countries like Poland, which exported coal in large quantities, this was a considerable hindrance to the acceptance of the Convention. Nevertheless, Poland had signed it, and he hoped that, if certain conditions were fulfilled, her ratification would speedily follow.

Poland had signed out of regard for international solidarity. She accepted the Convention because she considered the system of prohibitions to be a disease of the economic body of Europe which must be driven out as soon as possible. But let there be no illusions. The Convention had not re-established freedom of trade as far as prohibitions were concerned. The export of agricultural products was blocked, as in the past, if not by Customs walls, at any rate by barbed-wire entanglements which, though delicate in structure, effectively barred the way. This position was due to the abusive—prohibitive—use of health regulations. Innumerable examples might be quoted. Now it must be frankly said that, if it were desired that countries which, like Poland, were in the full swing of economic evolution should open their market to manufactured products from other countries, and admit the principle of free trade in finished products—and that was the Economic Committee's main object—their vital needs must be taken into account, Customs barriers must be lowered in other countries, and products of the soil of other countries must be admitted with greater freedom.

Poland quite understood the legitimate desire of every nation to see its agriculture flourishing, and to safeguard the health of its livestock. But, on the other hand, agricultural protectionism carried to extremes deserved to be condemned from the point of view of international co-operation as much as that exaggerated protectionism in industry, which an endeavour was now being made to combat. He therefore strongly urged that, in the resolutions to be submitted to the Assembly,

the Committee should emphasise the importance it attached to the work undertaken by the League in the matter of veterinary police, which must be free of all suspicion of covert protectionism.

Rather than review the work already achieved by the Economic Organisation, he would emphasise the tasks which the Economic Conference had laid down, but which it had not yet been found possible to advance.

The World Economic Conference had been able to dispel one of the most deeply rooted prejudices in certain economic circles, namely, the supposed incompatibility of agricultural interests with industrial interests. The Conference had shown that harmonious co-operation between these two main branches of human activity was not only possible but indispensable.

The need of co-ordinating work in these two spheres had found expression in the Consultative Committee's resolutions. It would therefore be highly desirable if, after the negotiations between the Secretariat and the International Institute of Agriculture at Rome, the League resolutely broached the study of agricultural questions, thus carrying out one of the most important recommendations of the International Economic Conference. The trend of the work hitherto initiated or completed by the Economic Organisation had been almost exclusively directed to commercial policy, leaving on one side the equally serious problems of industry, finance and, above all, labour.

When speaking of industry from the international standpoint, the first question which arose—a question of vital importance—was that of international agreements between producers. This question had been expressly entrusted to the Economic Organisation by the World Economic Conference and recommended for study by the Consultative Committee. Unfortunately, very little had been done until now to commence investigations in this extensive and little-known domain.

On the other hand, in its legitimate desire that the League's economic work should be carried out along practical lines, the Consultative Committee had suggested an exhaustive study of two important industries—the basic industry of coal and the sugar industry. In order not to prejudice the future of the Economic Organisation, the Second Committee should insist that the necessary funds for undertaking all this work should be duly provided.

An event of the utmost importance which had recently occurred was the contact established—permanently, it might be hoped—between the banks of issue in the various countries. The resolutions adopted by the Consultative Committee also contained a recommendation in connection with the vital problem of the purchasing power of gold. He thought it desirable for the Secretariat to co-operate in this matter with the banks of issue and, in the case of agriculture, to open up relations with the International Institute of Agriculture at Rome.

Dr. BREITSCHIED (Germany) said that he had listened with the greatest interest to the report of M. Loucheur, who could perhaps be regarded as the father of the World Economic Conference. He also wished to thank M. Colijn, President of the Conferences for the abolition of import and export restrictions and prohibitions, which had given considerable results embodied in four collective Conventions. He also thanked M. Serruys for his careful and interesting communication.

Without venturing to criticise the work of the Economic Committee and its eminent Chairman, and without in any way desiring to under-estimate the value and scope of the results obtained, he wished to make a few observations with reference to certain speeches delivered in the Assembly or during the previous day's discussion relating to economic matters. He heartily endorsed the tribute paid by the Netherlands delegate, M. Beelaerts van Blokland, to the important work done by the Economic Committee to give effect to the policy advocated by the World Economic Conference. It was difficult for him, however, to share the point of view of two other speakers, one of whom had referred to the work of the Economic Committee in the matter of Customs tariffs as "a dangerous enterprise" and the other of whom had spoken of it as an "unnecessary interference". The latter speaker had also stated that, in the economic sphere, the League of Nations should refrain from dealing with questions the effect of which on world economy was only partial or contingent.

He did not agree with these views, but considered that the Economic Committee, far from exceeding its powers, had accomplished fruitful work. To realise this, it was only necessary to glance at the situation before the creation of the Economic Committee. It was an era of constantly recurring increases in Customs tariffs—an era when Governments felt it their duty to isolate themselves by means of import and export restrictions and prohibitions. Since then, the World Economic Conference had laid it down as a principle that "a return to effective freedom in international trade was of fundamental importance to world prosperity". The central idea of its conclusions was that of putting a stop to the constant increase of Customs tariffs and of proceeding in the opposite direction by employing three methods simultaneously: the individual action of Governments, bilateral action consisting in the conclusion of commercial treaties, and collective action.

By means of commercial treaties the proposed objective had already been largely obtained. Germany had concluded commercial treaties with sixteen countries and their effect had been to bring about decreases in Customs tariffs in every case. Among these treaties the Franco-German Treaty was no doubt the most important and involved on Germany's side a very considerable tariff reduction.

With regard to the reduction of Customs tariffs by collective treaties, only one agreement had been realised, a convention relating to export duties on bones. This was the first agreement of its kind, and it showed that this class of agreement was not only both practicable and valuable, but exercised an influence on world economy. In dealing with this matter the Economic Committee had not overstepped its powers, but on the contrary had accomplished an extremely valuable piece of work, notwithstanding its modest scope.

The Economic Committee had abstained hitherto from recommending the general abolition of Customs tariffs, without, however, relinquishing the hope of eventually attaining its objective. For the present it had preferred to advocate the collective abolition of Customs tariffs *by groups* or classes of merchandise, such as aluminium, semi-manufactured iron products, hewn and sawn wood, etc. This was very important work.

With regard to aluminium, M. Serruys had explained the existing situation very clearly. In conformity with the provisions of the Convention on Import and Export Prohibitions and Restrictions, Germany would abolish the import prohibition on aluminium as from the year 1930. As Germany did not impose Customs duties on raw aluminium, and as her principal competitors in this commodity did impose such duties, Germany from that date would have no protection whatever for her production. It was therefore natural that the German Government, in its wish not to create new Customs tariffs, should invite the Governments concerned to conclude a collective arrangement regarding aluminium. The British Government had suggested submitting the problem to the Economic Organisation of the League of Nations for investigation, and he had no doubt that the League was a suitable instrument for finding a reasonable solution, which would safeguard the interests of all the countries concerned.

The other groups of products which the Economic Committee had placed on its provisional list deserved the same attention as aluminium and the same careful study. On the preceding day the Netherlands delegate had spoken quite correctly of the many independent Customs compartments into which Europe was divided. So long as these numerous Customs barriers existed in Europe, it would be necessary to further every effort towards lowering tariffs. It was hardly right to refer to this as a "dangerous enterprise" or an "unnecessary interference" on the part of the Economic Organisation of the League.

Dr. Breitscheid drew attention to two other important points. When the draft budget was being prepared in February of this year, it had been impossible to foresee the expenditure involved by the enquiries into coal, sugar and other groups of merchandise. It would be a matter for sincere regret if their execution were to be prevented or retarded for budgetary reasons. As the Consultative Committee had pointed out, the reduction of the Economic Committee's programme, because of budgetary reasons, would mean that a considerable amount of effort would be wasted. He supported the Polish delegate's proposal to nominate a Sub-Committee to confer with the Fourth Committee in order to prevent such important work from being brought to a standstill.

The second reservation concerned the rapidity with which the work ought to be accomplished. It was important that the realisation of projects relating to the lowering of Customs tariffs by groups or classes of merchandise should not proceed too slowly or hesitatingly. This was the opinion of the Consultative Committee and it should serve to spur on the Economic Committee.

With regard to individual action by Governments, Germany had had a memorandum prepared indicating tariff items which might be reduced by the individual action of Governments, and the Minister of Economic Affairs of the Reich had stated a few days before at the Trade Union Congress that he was also prepared to proceed along the third path indicated at Geneva. The speaker would be glad to know what other Governments had effected or prepared along these lines.

Coming to the question of passport visas, he regarded their abolition as a most important means of facilitating foreign trade. The Conference on Passports which had been held at Geneva from May 12th to 18th, 1926, had formulated the following recommendation:

"That the abolition of entrance and transit visas should be made as general as possible by means of inter-State agreements, a reservation being made in the case of countries unable, for special reasons, to make such agreements."

Germany had succeeded in abolishing visas with fifteen European States. It was expected that, as from September 15th, Italy would also be added to the list. Moreover, negotiations were proceeding favourably with a large number of Governments, which led one to hope that a still better result would soon be obtained.

The Secretariat had circulated a document: "Official Statements regarding the Recommendations of the World Economic Conference". This publication, though interesting, had only a provisional value. Among the large numbers of States belonging to the League of Nations, only twenty-nine were mentioned in the index of countries. Of these twenty-nine Members, thirteen had made a statement to the Secretary-General in writing, and some contained rather remarkable reservations. According to this report, the French Government was making a serious study of the conclusions of the Conference, but had not yet communicated a definite declaration in writing to the Secretary-General. The Secretariat's communication was consequently only provisional. In order to complete the data, it would be necessary to insert communications stating clearly whether, and to what extent, the various Governments had

put into practice the recommendations of the World Economic Conference. It was the support of Governments that mattered. The effect of the recommendations would be nil if they were not put into practice. It was necessary to make an appeal to Governments. Public opinion now increasingly recognised the decisive importance of economic problems and expected positive results in connection with the organisation of economic peace.

M. DRAGHICESCO (Roumania) desired, on behalf of the Roumanian delegation, to pay a tribute to the clearness, precision and breadth of M. Loucheur's report, which had his full support.

He wished however, to draw attention to one aspect of the Customs tariff question of which no mention was made in the report.

Everyone doubtless was convinced that the Customs tariffs and import and export prohibitions used by almost all Governments since the war were an obstacle to the movement of raw materials and industrial products, a hindrance to production and a cause of general uneasiness. A reaction against this state of affairs was therefore essential and was bound to have helpful consequences. But for young countries, whose economic development was still imperfect, it would produce difficulties, and even definitely unfavourable consequences. If the raw materials possessed by such countries were to circulate freely, and if they were obliged to import all kinds of manufactured articles, they would never succeed in establishing industries of their own, although they had both the raw materials and the labour required.

History showed that States now possessing highly developed industries had been obliged to practise the most extreme protection in the early stages of their development. This was true of France under Francis I, Henry IV, and especially under Louis XIV and Colbert, and also of England under Henry VIII and Queen Elizabeth. It was the mercantile system, in such disfavour to-day, that had built up and strengthened the manufacturing industries of France and England.

It was consequently natural that young countries should incline to protection in order to establish their own industries. To impose upon them a reform of Customs tariffs would be to destroy or paralyse their growing industries at the start and so prevent their general economic progress. It was, in fact, impossible for agriculture to prosper in a country where industry did not exist. Would not the effect be to condemn young nations to remain permanently, or at any rate for a long period, in the position occupied by England when she exported her wool to Antwerp or Amsterdam and imported it again as cloth?

Owing to the accidents of history, all nations had not attained the same level of economic development. Some countries were at the stage known to German economists as *Volkswirtschaft* or *Nationalwirtschaft*, a stage that required a protectionist economic system. Other nations had left that stage behind and had entered on that known to the same economists as *Weltwirtschaft*, or world economics. The Economic Committee was called upon to indicate by its work the broad and essential features of world economics. Care must be taken, however, that world economics did not paralyse the national economy of young countries. The system of world economics which the League desired to achieve for the general welfare would only be possible on condition that it did not hinder the economic development of any one nation.

Without insisting further on the general and theoretical aspect of the tariff problem, he would emphasise its practical and fundamental importance for young nations. He therefore proposed that a recommendation should be inserted in the report to the effect that the Economic Committee should study the possibilities of promoting the industrial development of young countries without industries, in cases where the lowering of their Customs tariffs would impede their industrial development, as he was of opinion that the idea of international justice was even more important than that of general economic welfare.

M. SERRUYS (France) said that, after the very full and technical report submitted by M. Loucheur on the work of the Committee, he was not unwilling to keep within the field of general principles.

M. Colijn had, with his usual felicity, referred to one of the most striking examples and one of the most recent successes of the Economic Organisation of the League of Nations. Those who had heard M. Colijn had realised what were the important questions which had arisen at the beginning and during the development of each problem discussed.

He would therefore confine himself to describing the development of the work of the Committee, which was often submitted to members of the Second Committee piecemeal, and to defining its object, which was to bring about certain conditions which were essential to the work of the League of Nations.

When the central problem was considered—the problem which was in the minds of all the delegations, whether they represented the Netherlands, Roumania or any other country—the question of commercial relations, in other words the problem of trade, invariably arose.

What had been the development of the League's work and of the Economic Committee's work in relation to this central problem?

Mention had been made of the unification of Customs nomenclature. That was, so to speak, the framework of the work to be accomplished. It was necessary to achieve a commonly defined, recognised, classified and ordered nomenclature to be used by all nations. That was the preliminary condition, but it was only a preliminary condition. When that nomenclature had been drawn up and this work, which was only the first stage, had been finished, the corresponding

Customs duties would have to be entered opposite each chapter. In regard to those Customs duties, however, the tariff systems had been studied and were still being studied. The Customs tariffs were not only an internal, but an external, question. They constituted not only a protection for the internal labour of a State, but were also used as a means of negotiating with other States. It had been necessary for the Economic Committee to study the tariff systems and the methods used in commercial agreements, and to deduce the principles of these commercial agreements. The first of these principles was the most-favoured-nation clause, together with the guarantees with which it should be surrounded. Next the Committee had sought to discover what systems would make it possible to establish uniform tariffs.

Would the tariff systems be a purely individual and national piece of work? The reply was in the negative. The Committee had thought that a kind of sliding scale of tariffs should be established to meet the individual situation of each State, according as they were well developed or not, according as they were industrial or mainly agricultural States. It had been found that it would be necessary, in the case of essential articles dominating the economic policy of all countries, to find a method of confronting this common nomenclature with concerted tariffs. This was the second step along the road to international action. What part, then, would bilateral action play? It would be the necessary complement of what could not be achieved on the international plane.

Suppose, for example, that in the year 1929 it had been possible to achieve an international nomenclature and that during the years 1930 and 1931 it had been possible, in the case of the main groups of articles, to draw up tariffs which, without being identical, were concerted. What would remain, apart from what had not been done on the international scale? There would be questions which could not be settled multilaterally and which would constitute the restricted and limited contents of bilateral agreements. As far as bilateral agreements were concerned, Europe might perhaps, in 1932 or 1933, have at her disposal conventions of the same type or conventions drawn up on the basis of models prepared in advance. This was an object which the Economic Committee had already striven to achieve.

If the programme outlined by the Economic Committee pursued its normal course, the necessary stages would be: (1) Customs nomenclature, (2) tariffs to correspond with that nomenclature, (3) methods used in commercial agreements, and, finally, (4) the realisation of these commercial agreements.

If it were possible to carry out this programme in the four or five years to come, the position in Europe would be revolutionised. It was in this way that the work which was to change the economic relations of peoples, or at any rate of the European peoples, was to be developed.

What was necessary in order to establish the system for which the Economic Committee was working, with a view to its slow evolution, and which, without achieving any immediate progress, was directing the economic relations of peoples towards conditions of greater justice and international equity with stronger guarantees? The system must afford guarantees of security for its execution and guarantees of justice in respect of its programme.

As far as guarantees of execution were concerned, was it proposed to wait for the programme to be developed stage by stage in order to make progress on any particular point? By no means.

As a preliminary experiment, the Conference on Prohibitions had dealt with two questions: hides and bones. The experiments must, however, be taken further before the list of Customs duties could be drawn up or before agreement could be reached on all the other Customs duties. As it became possible to achieve a particular result, that result must be achieved. But one thing must always be borne in mind. The Economic Committee must not be urged to flit from flower to flower and adopt the useless habits of the drone. What was important was to make certain that the matters dealt with were really vital for the countries which they concerned.

He was glad to have the support of the Rapporteur of the Second Committee. The work should not only be on as wide a scale as possible, but should also be as effective as possible. In other words, it must be of vital interest to the economy of the nations. A choice must be made of questions interesting a sufficient number of countries. Some questions might be very interesting, but, being of a local nature, they could be dealt with by two or three countries by means of agreements which it would not be necessary to discuss at Geneva. On the other hand, there were other questions which were of concern to the economic position throughout the world. Preference must be given to these by the Economic Committee.

Finally, questions must be chosen upon which something could be achieved. The League of Nations had not committed the imprudence of maintaining that it was infallible. Nevertheless, it must be sufficiently prudent not to show itself liable to error in any experiment which it conducted. Conventions, which might not only be signed in the enthusiasm of conferences but which were also likely to obtain the necessary ratifications, must be drawn up. The movement forward must be made in security, if it was to be made effectively.

What, therefore, were the two necessary conditions over and above the technical conditions in regard to each subject chosen? First, the programme must correspond with the requirements he had mentioned and with the necessary progress of countries whose economic circumstances were not yet developed and, secondly, there should be no difference—for this would be criminal—between industry and agriculture.

He would give an example to reassure the countries whose economic system was not fully developed and which did not desire to support the cost of organisations which would ensure the preponderating importance of countries with great and fully grown industries. The example

was quite recent. When, some weeks ago, a first experiment had been conducted in the collective tariffing of hides and skins, had not a distinction been drawn? Had not some countries been allowed full freedom, while others had obtained very low duties and yet others very high duties? The representative of Roumania would remember that he had been given a free hand.

Peoples had the undeniable right to promote their own necessary development, provided it was not assured by artificial means and to the detriment of the rights of other nations. In economics, as in morals, the rights of the individual ceased where the rights of others began.

In regard to another question—the agricultural question—there had been a delay for which a remedy must be found. Certain States, which were in the front rank of European organisation, would never give their adhesion to the economic work of the League of Nations unless their agricultural interests, which were for them vital interests, were treated with the same care as the industrial interests of other countries. Moreover, the two things could not be dissociated. How was it possible to speak of tariffs which a country might agree to accept if that country were involved in an agricultural protectionist policy which caused its wages to be too high, its production too costly and its exporting capacity consequently inconsiderable?

In one case the Committee possessed the necessary machinery, in the other it did not yet possess it.

Out of a very legitimate feeling of respect for an international organisation which had rendered great services, negotiations had continued for long months together. The Economic Committee hoped to be able to begin its work upon the agricultural problem, not certainly with the same feeling of security or by means of the same methods, nor in the expectation of achieving the same results, as in the case of industrial products. The Committee would, however, display an equal interest. The problem in question was singularly more complicated than in the case of industry. The different conditions in the different countries arose not only because one possessed a better climate than the other or more fertile land, but because the crops grown and the economic traditions were different. All this must be taken into account if injustice were to be avoided.

The technical Committees were composed of men who felt responsible to their own countries either owing to their position, or the instructions which they had received, or regard for their national interests. The Economic Committee was under the necessity, which sometimes had a limiting effect, of remembering that it was its duty not only to submit a thesis, but to have that thesis subsequently adopted by the Governments. It was so impressed by this necessity that, not content with taking into account the views of the Governments, it very often consulted the circles affected, such as the traders, industrialists and financiers, and it frequently subjected to preliminary investigation the problems which were to be dealt with by means of international conventions. Dr. Breitscheid was right in finding this procedure somewhat protracted, but he would recognise that it was in the circumstances wise.

Such procedure was a guarantee. The Economic Committee had never abandoned a task which it had taken up. On the contrary, it worked with faith and enthusiasm. On the other hand, it did not take up tasks which it did not feel able to conduct to a successful conclusion. If the Economic Committee was convinced that it was able to succeed in this particular task, that was because conditions had changed since its establishment. The time had passed when any reference to tariffs and prohibitions could be met with the plea that the subject belonged to the sphere of national sovereignty. These questions were now regarded as matters which might be the subject of international agreements, though formerly they had been regarded as subjects for bilateral agreements only, and subjects which more often than not had been a matter of dispute between the parties.

States henceforth would feel that, when they took certain steps, they could no longer act autonomously. He would give an example. The problem of the establishment of foreigners and foreign firms was one of the most thorny questions at present existing. Dr. Breitscheid had referred to that matter. The question had passed almost unnoticed as one among the subjects dealt with by the Conference, though it was in reality an essential matter. The question had been a very serious obstacle between certain countries of Eastern and Central Europe and between certain Balkan countries. All these countries, however, had agreed that they would not perpetuate the disputes which had arisen; that they would not continue the disputes and controversies on any of these questions, but that they would frame a kind of international law on the subject in the hope that, when the necessary instrument had been signed, the disputes would have disappeared.

He would give another example. A few weeks ago the great principle of tariff autonomy had been stated in a country which had nevertheless invested that statement with a liberalism which was traditional. He was referring to Great Britain. Requests had been presented. The British Government had refused to embark upon the course suggested, since it might perhaps be opposed by certain commercial currents of opinion and might meet with certain obstacles, before realising more clearly the way in which the Economic Committee intended to deal with the matter.

When the delegate of Germany declared that, without treaties and without agreements, his Government was ready to lower its tariffs, was not that statement inspired by the feeling that the work at Geneva was going forward and that it was possible in 1929 to do more than had been contemplated in 1926? Was that not also the feeling of France? Had not Poland yesterday declared that, in so far as the uncompleted part of the work of the League was concerned, she would abstain from framing her tariffs until she had been informed of the conclusions of the

Economic Committee? Yesterday, again, the French Government, issuing a decree relating to films, had written to the Secretary-General of the League of Nations asking him how far its rights extended under the International Labour Conventions of the League of Nations. Here was a Government which did not abdicate its sovereignty, but which realised that henceforth, there would be solidarity and interdependence in the economic relations between nations.

The Economic Committee thought that, in the task which it was undertaking, it was not exceeding its powers, nor was it showing a blind optimism. The task it had undertaken could be achieved, provided the means were given for its realisation.

He had alluded to the means of realisation. This was above all a question of method. In the work undertaken by the Committee it was impossible to determine in advance what portion of the task was ripe for settlement and what results would be submitted to the Governments. It was difficult to say what should be the subjects for investigation by enquiries or committees of experts or conferences. It was common knowledge that these different methods entailed a very different scale of expenditure.

M. Loucheur had recently said that the Economic Organisation henceforth had an engine and a steering-wheel. That was true. It also had an accelerator which was sometimes somewhat sensitive. That accelerator was the Consultative Committee. He hoped that in other Committees the brake would not be applied.

It was necessary that the Second Committee should be convinced that the work of the Economic Committee was being continued with conviction and with method. It was still, however, incomplete. It would be imprudent to wish to fix in advance, even for reasons of budgetary convenience, the scale on which this work should proceed.

If it were said that in 1929 the concerted economic development of the nations, which was, as Dr. Breitscheid had pointed out, a guarantee of the economic peace of the world, should only be carried out within certain limits, that only such conferences or committees should be convened, that this particular enquiry should be pursued to the exclusion of some other enquiry, this would result in submitting the machine to a regularity in its working which for the moment, as must be recognised in all humility, it would not be able to survive.

For the moment certain data of the problem could not be foreseen. The Second Committee should keep that fact in mind when it discussed the budget which had been referred back to it. The budget had been referred back, not with a view to its being increased, or that disorder should be introduced where it was essential to have order and security, but in order that certain adjustments might be made which would make it possible, in the event of a particular task not being sufficiently advanced, to devote the available resources to another task which it might be possible to carry successfully to a conclusion.

That was the programme as it should be followed, and the connection which existed between its various parts. Such were the guarantees with which the programme should be surrounded, and such were the means which, to all appearances, would result in a successful issue.

The discussion was adjourned to a later meeting.

10. Appointment of a Sub-Committee to confer with the Fourth Committee with regard to the Budget.

The CHAIRMAN proposed that a Sub-Committee of three members, consisting of M. VEVERKA (Czechoslovakia), M. GLIWIC (Poland) and Dr. BREITSCHIED (Germany) should be requested to confer with the Fourth Committee with regard to the budget.

This proposal was adopted.

FIFTH MEETING.

Held on Friday, September 14th, 1928, at 10 a.m.

Chairman: M. MOTTA (Switzerland); afterwards M. VEVERKA (Czechoslovakia), Vice-Chairman.

11. Question of Alcoholism: Amended Draft Resolution submitted by M. Voionmaa (Finland).

M. VOIONMAA (Finland) read a draft resolution which had been submitted by the Finnish delegation and modified after conversations between representatives of the delegations concerned:

“The Assembly, having had a draft resolution on the subject of alcoholism submitted to it by the Finnish, Swedish, and Polish delegations:

“Decides to request the Health Organisation of the League of Nations to collect full statistical information regarding alcoholism, considered as a consequence of the abuse

of alcohol, giving prominence, *inter alia*, according to the data available, to the deleterious effects of the bad quality of the alcohols consumed ;

“ And considering that, while it is for the Governments to put a stop to the contraband trade carried on in violation of the Conventions in force between them, it may nevertheless be useful to examine the terms in which such conventions or agreements might be drawn up, for the prevention of smuggling in general and that of alcohol in particular ;

“ Decides to ask the Economic Committee to carry out this investigation and to submit any proposals to the Council arising out of its conclusions.

“ It is understood that this resolution does not refer to wine, beer, or cider.”

Marquis DE LA TORREHERMOSA (Spain) stated that, in a spirit of compromise, the Spanish delegation accepted the text proposed by the Finnish delegation, but its adhesion was not to be in any way interpreted as an approval of the preamble accompanying the proposals deposited with the General Committee of the Assembly, nor of any propaganda which might be conducted outside the League of Nations.

M. ALFIERI (Italy) associated himself with the statement of the Spanish representative. The Italian delegation considered that the League should not deal with the question of the smuggling of alcohol. This was a matter of internal police measures, which each State should settle according to particular circumstances, of which it was the sole judge. Moreover, any difficulties there might be were more likely to be overcome by agreements between the States directly concerned.

If all the members of the Committee agreed, the Italian delegation, noting with satisfaction the spirit of conciliation displayed, and considering that a little wine had been mixed with the water of the first proposal, would accept the draft resolution submitted.

Professor O'SULLIVAN (Irish Free State), speaking as Rapporteur on the work of the Health Organisation, suggested that, if the resolution were to be adopted, the International Labour Office should be associated with the work of the Health Organisation.

Speaking as a delegate, he agreed with the Italian representative. He recalled that the proposal before the Committee had given rise to constitutional difficulties last year. He asked whether these constitutional misgivings had vanished this year.

He thought that the resolution lacked clearness. He wondered what the meaning of the words “among other things” in paragraph 2 were intended to mean. To demand that prominence should be given to something undefined seemed bad drafting. He would, however, urge no objections to the resolution, so long as it was clear that the reference was to the abuse of alcohol and the bad quality of alcohol.

M. ZUMETA (Venezuela) said he did not wish to strike a discordant note, but he must make certain reservations. He wondered whether the League, by taking up this matter, did not run the risk of having submitted to it, in the more or less near future, proposals for enquiries, similar to that with which they were now dealing, relating to the abuse of tea, tobacco or coffee. These were questions of purely national concern. Venezuela had already submitted to the Pan-American Conference a draft resolution against alcoholism. This draft had been adopted, but it had been drawn up from the point of view of health.

M. Zumeta tentatively suggested replacing the second paragraph of the proposal by the following text :

“ Decides to invite the Health Committee to study the possibility of a practical comparative study of the methods adopted in the public laboratories of the various countries for the analysis of spirituous beverages and the detection of dangerous or harmful products.”

The CHAIRMAN informed the Committee that, with reference to the Finnish proposal, the Secretary-General had received a whole series of tracts, pamphlets and books from various national or international organisations. All these documents were at the disposal of delegations which might desire to consult them.

M. KOLSTAD (Norway), on behalf of the Norwegian delegation, supported the Finnish proposal. For many countries the smuggling of alcohol offered a problem very difficult to solve. It was therefore desirable to deal with the matter by means of an international convention.

The CHAIRMAN noted the agreement expressed by all the speakers with the Finnish proposal. He invited the Committee to express its opinion on the amendment submitted by M. Zumeta.

M. PAMS (France) reminded the Committee of the conditions in which it had approached the question of alcoholism to-day. It was a matter of compromise. The problem aroused deep interest in several States and within the Assembly itself. France had asked that, in order to avoid excess and reach practical results, there should first be agreement on the question of

principle. From the controversies which had arisen one might have been led to believe that this was a struggle between the supporters of wine and total abstainers. It was necessary in the first place to lay that ghost, and it ought to be made clear that, in the interests of the countries themselves, which desired to free themselves from the scourge of alcohol, there was no intention of interfering with the use of healthy drinks like wine. In accepting this compromise, the French delegation was not thinking merely of the wine-growers of its country, but it was also defending the legitimate claims of the northern nations which desired to protect themselves against the onslaught of alcohol in its most dangerous form, namely, adulterated alcohol.

To reach the compromise with which the Committee was now confronted, it had been necessary to examine the problem under its three different aspects and to tabulate the difficulties which it offered. (1) Wine had been put outside the discussion. (2) In order to repress smuggling, the States would conclude among themselves the conventions which they thought suitable for that purpose. (3) It was necessary to take in hand the necessary study of harmful alcohols and to have recourse to the Health Organisation of the League of Nations.

For what was the use of complicating the situation and seeking elsewhere what the League already possessed, namely, a health organisation perfectly equipped and qualified to carry out all necessary investigations? Lastly, it would be a mistake to engage, as M. Zumeta proposed in his amendment, in a study of the methods in use in the public laboratories of the different countries for the analysis of spirituous beverages and the detection of dangerous or harmful products. That would mean an extraordinary complication of the task.

Nor was it necessary to set the International Labour Office in motion immediately. His conclusion was that it was necessary to remain within the limits of the compromise itself and, as a matter of caution, set aside all secondary considerations and, therefore, the amendments.

M. ZUMETA (Venezuela) said he had put forward a simple suggestion which he now withdrew, as the delegations did not accept it. He wished, however, to maintain the reservations he had made on the use of the words "abuse of alcohol".

Professor O'SULLIVAN (Ireland) said that, as the draft resolution now submitted to the Committee was a compromise, he would accept it in its present form, and withdraw his suggestion concerning the International Labour Office.

M. VOIONMAA (Finland) expressed his gratification at seeing the Finnish proposal unanimously accepted by the Committee. He added that the question of co-operation on the part of the Health Organisation and of the International Labour Office in the study of the problem was merely a practical question and one of method.

The text of the resolution was unanimously adopted.

On the proposal of the Chairman, M. DE PORTO SEGURO (Chile), was appointed *Rapporteur to the Assembly*.

The CHAIRMAN asked Dr. Rajchman, Medical Director, and M. Stoppani, Secretary of the Economic Committee, whether the adoption by the Assembly of the resolution which had just been approved was likely to involve budget expenditure.

Dr. RAJCHMAN, Medical Director, said that he could hardly say anything definite at present. When the resolution had been adopted by the Assembly, it would be examined by the Health Committee. Only after it had been so examined, could it be decided whether it would be necessary or not to make provision for this matter in the 1930 budget. In any case, he did not think such provision would be necessary in 1929.

M. STOPPANI, Secretary of the Economic Committee, stated that he could not tell at first sight whether the question would involve additional expenditure for 1929. He could not give an opinion on this subject until the Economic Committee had considered the proposal. In this respect the situation of the Economic Committee differed slightly from that of the Health Organisation. Experts would probably have to be consulted, particularly in view of the fact that the question touched on the problem of smuggling and was capable of wide ramifications. In these circumstances, it would probably be necessary to make arrangements for additional expenditure in 1929, the amount of which it was impossible at present to estimate.

The CHAIRMAN concluded from the replies of M. Stoppani and Dr. Rajchman that the resolution would have to be sent to the Fourth Committee in order that any expenditure it might occasion should be included in the budget.

M. PROCOPÉ (Finland) said he hoped that the four delegates who were acting as liaison agents between the Second and Fourth Committees would emphasise the desirability of conducting a full enquiry into the question next year.

The Finnish delegation held itself at the disposal of the delegates for all necessary information.

The procedure suggested by the CHAIRMAN was adopted.

12. Work of the Health Organisation.

Professor O'SULLIVAN (Irish Free State), Rapporteur, read his report (Annex 3).

M. ALFIERI (Italy) remarked on the excellence of the report and referred to the keen interest his Government took in the work of the Health Organisation. It had participated actively in this work by sending its best experts to various technical Committees and by the participation of its high officials in numerous meetings convened by the Health Organisation, in the exchange of public health officials, in collective study tours, organised by the Health Organisation and more particularly by its Director, Dr. Rajchman. These tours constituted a very happy innovation in the domain of international hygiene. Public attention was drawn quite naturally to the work of the Health Organisation, which was producing results of immediate benefit to humanity.

The Second Committee had doubtless learned, that an interchange of foreign public health officials would take place in Italy on September 16th, 1928. This interchange, the programme of which had been drawn up in close collaboration with the Royal Ministry for Foreign Affairs, would demonstrate to medical officers of health the radical innovations and changes that had been made by the Fascist Government in the Italian Public Health Service. Moreover, one of the Italian institutions, the Luce National Institute, had been instructed to take a film of installations or institutions which it would be impossible to visit owing to lack of time. This documentary and technical film would make it possible for visitors to gain both a general and detailed idea of the progress which had been made in Italy by public hygiene in all its forms.

He hoped that participants would take away with them impressions of their visit as indelible as those left on the minds of Italians who had been privileged to participate in such international interchanges.

M. HELDRING (Netherlands) approved the Rapporteur's very full report. He hoped that the League's work would be crowned with success, as it deserved.

Referring to the passage of the report in which mention was made of the fumigation of ships and of the work of the Eastern Bureau in connection with infected ships, he asked whether, as this was a matter affecting maritime trade, the Health Organisation had examined the question in conjunction with the Communications and Transit Organisation. He thought such contact was necessary if the measures taken were to be effective, while causing the least possible delay to communications.

Professor O'SULLIVAN (Irish Free State), Rapporteur, replied that the two organisations referred to by the Netherlands delegate co-operated, in that the rules for the disinfection of vessels had been drawn up jointly with the Transit Committee.

M. NAGAI (Japan) said that every year it was his pleasant duty, on behalf of the Japanese delegation, to congratulate the Health Organisation on its admirable work. The field it covered was so vast, so varied and so complex that an idea of its activities could scarcely be conveyed in one single report, while it was equally impossible in one report to set out in full the very encouraging results obtained. The Japanese delegation fully approved the work accomplished by the Health Organisation, so excellently explained in Professor O'Sullivan's lucid report.

Referring to the Singapore Epidemiological Information Bureau, he observed that, thanks to this Bureau, the League was in constant contact with the Far East. Thus the Singapore Bureau rendered signal service to the various administrations, not only in Oriental countries, but throughout the rest of the world. The Japanese Government would continue to co-operate closely in fostering the development of the work of this Bureau.

Coming to the question of liaison with the health services of the various countries, he drew attention to the interchanges in Europe and in India which had made it possible for a number of Japanese experts to meet their Western colleagues and extend their knowledge. The Japanese Government took a keen interest in these interchanges, holding them to be most useful and productive.

The Japanese experts had also co-operated in the work of certain Committees: the Committee for the Standardisation of Sera and Biological Products, the Cancer Commission, the Commission appointed to study relations between health services and social insurance services. On every occasion they had been delighted with the welcome extended to them. These were very interesting activities of the Health Organisation and had produced results of which the League of Nations might rightly be proud.

The Japanese delegation was strongly in favour of co-operation between various countries. This co-operation had worked well with the countries of Latin America. He hoped that, whenever possible, such co-operation would be extended to other parts of the world where it was anxiously awaited.

Finally, he suggested, with a view to taking into account the various individual missions which had been carried out, that they should add at the end of the last paragraph but one of the resolution, the following words: "and to all specialists and scientists who have carried out individual missions".

Sir Granville RYRIE (Australia) wished to say a few words with regard to the Mission which would shortly set out for the Pacific under the auspices of the League of Nations. It would be remembered that the Assembly during its eighth session had noted the recommendations of the Imperial Health Conference held at Melbourne in May 1926, and particularly the recommendations concerning the prevention of certain diseases in the Pacific islands. The public health administrations of these islands did their utmost to combat the diseases; but, as would be seen from the report to the ninth ordinary session of the Assembly on the work of the Council¹, great difficulty was experienced in co-ordinating their efforts. Two experts would shortly leave Europe in order to conduct a preliminary enquiry into the health conditions in the Pacific islands. They could be certain of receiving every assistance and information from the Australian Government. He did not doubt that the results of this enquiry would be very valuable and that it would lead to increased knowledge on many health problems with which no island group could cope singlehanded. He desired to congratulate the Health Organisation on the prompt action which it had taken on the recommendations of the Imperial Conference of Melbourne and on those of the eighth ordinary session of the Assembly.

Mr. MALLIK (India) felt certain that he was voicing the feelings of the whole Committee when he congratulated the Rapporteur on his exceptionally able report, which was remarkable both as regarded the marshalling of the facts and the indication of the real essence of the situation. As the delegate for India, he wished to associate himself more particularly with the Rapporteur's statements concerning rural hygiene. This question was indeed specially important for an agricultural country like India.

He thanked the Health Organisation of the League of Nations for its principle of practical idealism and for the excellent work which it had accomplished in collaboration with the Paris Office d'hygiène publique without making colour, racial or regional distinctions.

The Health Organisation of the League was always being called upon to undertake new work; in spite of this constant increase, it nevertheless succeeded in maintaining unimpaired the quality of its work, owing to its wise self-restraint.

For the past three years the Epidemiological Bureau at Singapore had done remarkable work for the prevention and control of disease. The Government and the people of India had contributed to the best of their ability. *Inter alia*, India was responsible for the broadcasting of epidemiological information relating to the ports of the Far East.

India attached particular importance to the exchange of public health officials. The country was somewhat backward from the point of view of public health owing to her vastness, her lack of financial resources, and several other important reasons. For a long time investigations had been made in India with respect to her malaria problem, and it was in 1897 that Sir Ronald Ross, the brightest jewel of the Indian Medical Service and one of the greatest benefactors of the human race, discovered the source of the spread of malaria through anopheles. Since then special efforts were being made in India and the School of Tropical Medicine had been for over a decade making further investigations into the matter. For all these efforts and investigations, the scheme of interchanges was particularly helpful, and the people and the public health officers of India greatly welcomed the enlightenment and experience which that scheme was unquestionably calculated to afford them. In 1925, an interchange was effected with Japan in which one Indian public health official took part. Another no less successful exchange was effected with West Africa, and last year a study tour was made in India itself. Those taking part had been struck by the work of the public health officials of India notwithstanding the difficulties under which they laboured. India therefore earnestly hoped that the scheme would be so financed as to be able to function effectively.

The most terrible scourge in India was malaria. It affected not only public health but also the economic conditions of the country. In Bengal, his own province, 350,000 deaths per year were due to malaria. Again, as the result of this scourge, the average length of life for the whole country was only 23 to 25 years. Over and above the heavy toll in death which malaria levied in India, the amount of devitalisation which it caused was enormous and made intensive efforts in agriculture and other activities almost an impossibility.

Infant mortality was appalling; about 300 children out of every 1,000 died before they were one year old. In Calcutta, this figure was 500 and in Bombay it was 600 or 700; in 1924, in Bombay it had even reached the figure of 823 per 1,000 children.

The Government and the people of India were fighting with all the means in their power against this scourge, but the difficulties were enormous and they realised that they must have assistance from abroad; they required the experience of other countries and basic data; in fact, they wanted a message of hope. For these reasons they very highly appreciated the services of the Singapore Bureau.

¹ Document, A. 6, 1928. See Supplement to the *Official Journal*, No. 64.

India would therefore warmly welcome the Malaria Commission of the League when it visited that country with a view to helping it in the solution of the most difficult problem of malaria.

It was chiefly through the Health Organisation that India came into real contact with the League of Nations. India, since she was not yet a self-governing country, was not interested to the same extent as other Members in other aspects of the League's work, such as disarmament. But she appreciated very greatly the humanitarian work of the League as regarded plague, which was another scourge in India. As long as thirty years ago an enquiry had been carried out under the authority of that eminent sanitarian Sir William Simpson, the Chief Health Officer of Calcutta, whose invaluable services were so greatly appreciated in India. The work as initiated by him had been carried on ever since and an Expert Plague Committee had met in 1927 to help in the work. Thanks to Sir Leonard Rogers similar work had been done in regard to leprosy and cholera. India was, and would be for a long time to come, mainly an agricultural country, and 85 per cent of its population dwelt in villages. It was therefore difficult to apply public health regulations. His country required advice as to the best method of utilising the limited resources at its disposal.

In conclusion, he wished to emphasise the sense of gratitude experienced by States Members of the League of Nations, and in particular by India for the activities of the Health Organisation, and to this end he proposed to add the following sentence to the draft resolution :

“India congratulates the Health Organisation on the increasing success of its far-sighted policy of practical collaboration with the extra-European countries.”

Dr. CHODZKO (Poland) stated that the Polish Government had taken a keen interest in the work of the Health Organisation of the League of Nations from the outset. Poland did not forget the valuable services rendered by that Organisation on the occasion of the great epidemics which had come from the East and darkened the early days of her recaptured independence.

He thanked the Rapporteur, and supported the Indian delegate in laying special stress on that part of the report dealing with the international interchanges for the study of questions affecting rural hygiene.

Contrary to the popular opinion, mortality in many countries was higher in rural districts than in the towns.

Mortality statistics in Prussia, the German Reich, Sweden, Poland and the United States of America showed that for the last twenty to thirty years or so the risk of disease and death had become greater in the country than in the towns. Tuberculosis, malaria, typhoid fever, insanitary housing and impure water were the peasants' greatest enemies. After the French, German and Polish public health experts, two Swiss doctors had recently declared that tuberculosis in towns was increasing by reason of the immigration of the rural population, which was a source of infection. It had, moreover, been proved that tuberculosis was more prevalent in exclusively agricultural countries. In 1924, there were 32 deaths from tuberculosis per 1,000 inhabitants in Switzerland, in England 10.6 and in Belgium 11.2.

Similarly, American statistics showed that typhoid fever was a greater scourge in the country than in the towns.

Rural mortality had begun to increase to the same extent as urban mortality 20 to 30 years ago ; but the depopulation of the country had also begun about the same period. In 1927, in two great cities of Central Europe, Berlin and Vienna, the death rate was higher than the birth rate. In Warsaw, the situation, without being equally alarming, gave cause for apprehension. The rate of mortality had decreased from 24.6 to 14.2 in that city, but the birth rate, which thirty years ago was 43.9 per 1,000 inhabitants, was only 19.1 in 1927. For many years it had been thought that the surplus of the rural population would fill the gaps made in the urban population, but the increased mortality among peasants and their chaotic and irregular emigration was fraught with great danger.

The problem of the depopulation of the country was one of grave importance for Europe. Economists had tried to explain the situation by adducing financial reasons. Learned German statisticians had calculated that the French peasant was the richest of the European peasants, and yet the desertion of the country for the towns was an alarming problem in France. He thought that certain superficial economic conceptions had had disastrous consequences. Pernicious propaganda had advocated birth control with a view to increasing national wealth, losing sight of the fact that man was the greatest wealth of the country. Such propaganda had killed more children than the most deadly epidemics of infantile diseases. After about a hundred years of this propaganda, Governments had found themselves obliged to offer bounties for a large number of children.

A chart of Hungary, prepared quite recently by doctors in that country, showed to what extent such propaganda had penetrated to the lower strata of the population.

The question of rural hygiene was one of far wider scope than appeared at first sight.

He thought that problems concerning health and repopulation should receive the special attention of the League of Nations. He emphasised the fact that the French Chamber of Deputies and the German Parliament had appointed Commissions for the special study of population

problems. He was submitting no resolution to the Committee, nor was he asking for any authorisation for fresh expenditure. He merely wished to draw attention to the responsibilities of the present generation towards future generations. It might be well to consider the efforts made in certain countries to check depopulation. The Health Organisation already possessed useful material for this purpose.

Marquis DE LA TORREHERMOSA (Spain) laid stress on the importance to be attached to the continuity and frequency of interchanges of young doctors belonging to the several national health administrations, as this was one of the most effective means of establishing and strengthening the relations between the health services of the various countries. He particularly recommended the study of problems concerned with rural hygiene by groups of hygienists, health officers and sanitary engineers, which had already been undertaken in Germany, Hungary, France, Belgium, the Netherlands, etc.

He would be glad to learn that one of the forthcoming study-tours to investigate the interesting problem of rural hygiene was going to be made in Spain where there had been a study-tour to investigate malaria.

With regard to sleeping-sickness in Africa, he stressed the great interest taken in the question by the Spanish Government, which had not only given pecuniary assistance to the work of the Entebbe Commission, but had completely reorganised its Colonial Medical Service on scientific and modern lines in order to play a more effective part in the campaign against this scourge in Africa.

Professor O'SULLIVAN (Irish Free State) thanked the speakers for the congratulations they had offered to the Health Organisation, and was particularly grateful for what had been said with regard to its work by the delegates from the Far East. Above all he was glad they had stressed the fact that the Health Organisation was one of the best means of propaganda for the League in the continent of Asia.

He was convinced that everybody would agree that the work of the Health Organisation deserved the most unstinted praise, and he thanked the Polish delegate for his illuminating statement concerning rural hygiene, a question in which he himself was more especially interested.

As regarded expenditure, he suggested that the members of the Second Committee should urge upon their colleagues on the Fourth Committee that no financial consideration should be allowed to hinder the work of the Health Organisation.

He would consult with the Japanese and Indian delegates with a view to finding a text likely to meet with their approval.

This proposal was adopted.

The draft report and resolution were adopted.

Professor O'SULLIVAN (Irish Free State) was appointed *Rapporteur* to the Assembly.

SIXTH MEETING.

Held on Saturday, September 15th, 1928, at 10 a.m.

Chairman: M. MOTTA (Switzerland); afterwards M. VEVERKA (Czechoslovakia), *Vice-Chairman.*

13. Work of the Organisation for Communications and Transit.

M. NAGAI (Japan) read his report on the work of the Organisation for Communications and Transit (Annex 4).

M. PELLA (Roumania) noted in the report submitted by the Advisory and Technical Committee for Communications and Transit a passage of the highest importance and one closely connected with the organisation of peace.

He was referring to the repeated invitations addressed by the International Union of Radio-Telephony to the League of Nations to study preventive measures in regard to the broadcasting of propaganda which could not be tolerated from the point of view of good international relations. The Committee for Communications and Transit, recognising the importance of these suggestions, had, at its meeting of February 29th, 1928, decided to submit them to the Assembly.

The question was one of very special interest to-day, in view of the tendency evident in every country to establish the systematic organisation of peace on a moral basis. This tendency had found its highest expression in the Pact against war recently signed at Paris, but in order that

such a Pact might have good results, it was absolutely necessary, in the absence of any means of international compulsion, to consolidate the peaceful purposes with which the nations were now animated, and to remove all misunderstandings and causes of friction which might still arise between them.

It was, however, very difficult to succeed in suppressing altogether the moral boundaries which still divided the nations unless there was complete abstention from that kind of hostile propaganda which consisted in the diffusion, chiefly by means of radiotelephone, of false or exaggerated news, intending either to show certain States to international public opinion in a light which did not correspond with facts, or to set up and promote within those States themselves certain factors of social dissolution threatening their internal peace and jeopardising international peace. Such conduct was not likely ever to lead to the moral disarmament of nations. For, in countries which were victims of such propaganda, public opinion was dominated by a feeling of mistrust which was one of the chief obstacles in the path of the moral unity of nations.

Numerous proposals had, as a matter of fact, been put forward in the past, in regard to false or distorted news calculated to disturb the peaceful relations between States. By way of example, he would recall the fact that Professor Lammasch, the great Austrian internationalist, had already laid before the Second Inter-Parliamentary Conference, which should have met in Stockholm in 1914, an exhaustive report on the question of false news likely to disturb the peace of the world.

The question had been a source of apprehension in the past, when the means of diffusing ideas had not yet reached the present high technical standard of achievement; but now that the recent advances of science had suppressed distance and, by the spoken word, ideas could be instantaneously broadcast to every corner of the globe, the importance of the question had vastly increased.

The measures calculated to obviate the danger did not all lie within the sphere of activity of the Second Committee, but one might perhaps suggest the conclusion of an international Convention for the repression of such propaganda. In their draft penal codes some States had, in fortunate anticipation, foreseen this offence. There was Article 115 of the Draft Austrian Penal Code, or the similar provisions of the recent Draft Roumanian Penal Code of 1927, which made it a penal offence to broadcast false or distorted news, likely to jeopardise the peaceful relations between peoples or to engage in any propaganda likely to give rise to armed international conflicts.

As the question of the broadcasting of false or distorted news had been laid before the Second Committee by the Committee for Communications and Transit, he thought it desirable that the Committee should make a recommendation asking the Governments to strive by every means in their power to prevent broadcasting being used for propaganda likely to injure the peaceful relations between countries.

This suggestion was important also from a technical point of view, for there was reason to fear that States suffering from such propaganda would adopt measures for paralysing radio communications aimed against them and thus impede the proper working of such communications generally.

Nor should the moral importance of the question be ignored, for its consideration would afford clear evidence of the League's firm intention to prevent every possible cause contributory to the perpetuation of international mistrust, which had so often in the past led to wars and bloodshed.

Thanks to the intervention of the League, it was to be hoped that all countries would agree no longer to allow that admirable conquest of science, the wireless, to be employed for purposes of propaganda likely to weaken the moral and political bonds uniting nation to nation.

It was, on the contrary, to be hoped that it could henceforth be included among the means destined to penetrate the minds of nations with pacific ideals—which, as a result of persistent propaganda, would pass from the unstable region of thought to the steady subconscious region of the heart where the strongest springs of human action were forged.

He would move the following resolution:

“ The Assembly :

“ Noting that in the course of the work of the Committee for Communications and Transit, and, during the discussions on the report of that Committee, a most important question was raised, namely, that of certain cases of propaganda by broadcasting, considered internationally inadmissible ;

“ Expresses the hope that Governments will make every effort to ensure that broadcasting, which constitutes one of the most effective instruments for the mutual exchange of information between the nations—so necessary to peaceful international collaboration—is not utilised for propaganda harmful to the good relations between States, which might also obstruct the proper working of such communications.”

The CHAIRMAN pointed out that the question raised by M. Pella was but remotely related to the questions with which the Second Committee had to deal. This recommendation would rather appear to fall within the province of the Third Committee, which dealt with every aspect of the disarmament question. Would M. Pella have any objection to the question being postponed to another meeting?

M. DRAGHICESCO (Roumania), in the absence of M. Pella, who had been called to the First Committee, replied that there was no objection to the Chairman's proposal.

The discussion of M. PELLA's draft resolution was postponed to a later meeting.

Sir A. Yusuf ALI (India) congratulated the Rapporteur on his interesting report. India, although not directly interested in many of the questions dealt with by M. Nagai, was prepared to co-operate actively, subject to financial considerations, in every measure undertaken to increase and facilitate communications between nations.

With regard to road signals, the land frontiers of India consisted of high mountains which imposed barriers to land intercourse. The Government of India, therefore, had few problems connected with land communications in normal time with neighbouring countries. Its international communications were mainly by sea. A difference in road signs and signals would cause less inconvenience than in countries with international road traffic. Nevertheless, India recognised the advantages of a greater uniformity in this matter, and was prepared to consider how far she could co-operate to accomplish this aim.

On the other hand, India was directly concerned in questions of buoyage, the lighting of coasts and air communications, and fully recognised the usefulness of a uniform system which would facilitate international and national communications. The work of the Organisation for Communications and Transit, which aimed at the adoption of a standard system, was deserving of the most careful attention.

Nevertheless, he noted that the draft prepared by the Communications and Transit Organisation had not been approved by certain great maritime Powers, especially Great Britain and the United States of America, and, in view of their important position in the maritime world, it would be impossible to establish a uniform system without their co-operation. For this reason the reservations made by these countries should be carefully examined. The Government of India, which viewed with sympathy the effort to obtain unification, did not wish at the present stage to offer any observations. It desired to watch developments before giving its adhesion.

As regards the reform of the calendar, Sir A. Yusuf Ali pointed out that his country was placed in a peculiar position, since in India there were from six to ten different calendars in use. Apart from the Christian calendar used by the Government, and the Moslem and Jewish calendars, there were three or four other calendar systems used by the Hindus in different parts of the country. It was difficult, therefore, for his country to study the question of the reform of the calendar in his national community, from an international point of view.

The Government of India had consulted public opinion, especially that of the commercial community, on the subject of a universal calendar. On the whole, commercial opinion was not in favour of the adoption of this calendar. India had a number of local and communal holidays in addition to the Christian holidays contemplated in the European calendar. In those circumstances, a National Committee was not possible.

With regard to identity documents, he, the delegate of India, had received no instructions, and did not propose to offer an opinion.

On the other hand, India was interested in the collection and exchange of information relative to communications and transit, but the question of cost had to be considered. As regards the financial aspect of the question, the Fourth Committee had requested that the other Committees should exercise every possible economy, and a sort of priority of expenditure should therefore be established. In the circumstances, although in favour of the collection of information relative to communications and transit, the Indian representative reserved his final opinion until the matter had been examined by the Fourth Committee.

In conclusion, Sir A. Yusuf Ali considered that the question of communications and transit was of the utmost importance for the work of the League and more particularly for its economic work. If public opinion could be induced to support the League in this matter, a great advance would have been made towards the solution of some of the other questions dealt with by the League.

M. HELDRING (Netherlands) recalled that the Advisory and Technical Committee of the Communications and Transit Organisation and the Consultative Committee of the Economic Organisation had drawn attention to the fact that very few of the States which had signed several conventions drawn up by these organisations had deposited their ratifications.

He invited M. Haas to inform the Committee how matters had stood in this respect on September 15th.

Mr. DUNNING (Canada) congratulated the Rapporteur on his remarkable achievement and stated that he was the first to admit the difficulty of summing up in a few pages the valuable

work done by the Transit Organisation in the cause of international peace. He thought, however, that the importance of settling transport difficulties due to the new frontiers had not, perhaps, been sufficiently emphasised. A considerable advance had now been made thanks to the Communications and Transit Organisation, and the settlement of certain disputes had been greatly facilitated.

There was a further question to which the North American countries attached great importance, namely, the exchange of data and information regarding communications.

As regarded nomenclature, he acknowledged the excellent work done for the establishment of a tariff nomenclature, but asked whether means could not be found of standardising the nomenclature of goods consigned abroad. In this matter exporters had to contend with numerous difficulties, similar to those caused by differences in Customs nomenclature. A uniform nomenclature for freight charges should also be considered, since differences in nomenclature, added to the differences in language already existing, constituted obstacles in the way of trade.

The second question was somewhat similar to that raised by the delegate of Roumania, but was not of the same political nature. He referred to wireless broadcasting. Canada did not suffer from propaganda of any kind, but the question was of technical importance to his country, especially the question of wave-lengths. It was essential that inhabitants of a country should be able to communicate with each other without being disturbed by the waves of neighbouring countries, as occurred in certain areas in Canada. He suggested that the Communications and Transit Organisation should study the technical side of this problem and prepare a draft convention accordingly.

In conclusion, he would express his conviction that the work done by the Communications and Transit Organisation in the interests of peace could not be rated too highly.

M. HAAS (Chief of the Communications and Transit Section of the Secretariat) said that the question of buoyage and the lighting of coasts had been admirably dealt with by the delegate who had spoken on the subject. A draft to form a basis for standardisation was at that moment under consideration. It entailed a fairly complete rearrangement of the original draft, whereby it was hoped to secure the co-operation of certain great maritime countries which had found themselves unable to accept the draft. A special investigation had been made in conjunction with the competent authorities of the United States of America and Canada.

The question of calendar reform was viewed in different aspects by different countries. In some countries, such as India, where there were several different religious calendars, insuperable difficulties stood in the way of the formation of national committees. At the same time, though it might not be possible to introduce a universal calendar for the whole world, some advance could be made in the direction of uniformity for most countries.

The Committee on Railway Transport had been investigating the question of railway nomenclature. The enquiry was still in its preliminary stage. This was a question that had already been considered by the International Railway Union. Further, he understood that the Committee on Railway Transport was contemplating placing on the agenda of one of its sessions in the near future the question of the unification of the goods tariff nomenclature, which was of high practical importance. The matter, however, would require extended enquiry.

As regards the question of the allocation of wave-lengths, especially for radiophony, considerable progress had been made in Europe thanks to the International Radiophonic Union, which was an association of broadcasting companies, and was in touch with the Communications and Transit Organisation. The Transit Organisation might try to co-ordinate these efforts. It was still too soon, however, to think of preparing a draft convention, in view of the rapid technical changes that took place in this field. The Communications and Transit Organisation would follow the question with interest.

The collection of information had been referred to on one or two occasions. The Rapporteur had made some observations on the budgetary aspect of the question (document A.II.15.1928). It would be seen from the discussions at the Conference on Communications and Transit and at last year's session of the Assembly that there was no question of making the Organisation responsible for a new task or the creation of a permanent information bureau: the intention was simply to collect such information as was strictly necessary for the efficient prosecution of the Organisation's work. It must not be forgotten that neither on the problems referred to nor on any other problems with which it had to deal could the Transit Organisation work in the dark. It had to know the state of the law in different countries, the general state of traffic, and so forth. In that respect the Communications and Transit Organisation was in a position similar to that of the Health Organisation or the Economic Organisation: it needed to have a few expert assistants, even if only a very few, and that was what was proposed. The question had been studied in the greatest detail last year by the Second and Fourth Committees of the Assembly and by a joint Sub-Committee. The Fourth Committee, of course, had the last word on the matter, but it was now in possession of all the information it needed in order to take a decision, having regard to the arrangements made last year. The joint Sub-Committee had been told last year—as could be seen in the Fourth Committee's report—that the request for a credit could not be met because it had been made at too late a date, but that it was understood that the Chief of the Section concerned was authorised to get into communication with the Governments, pending the adoption of the 1929 budget, in preparation for the action approved by the

Assembly at its ordinary session in 1927. That had been done, and the Transit Committee, relying on these decisions of the Assembly, had applied to certain Governments, which had responded to its appeal.

Further information on the question had been obtained in the course of a tour which the Chief of the Transit Section had made in the United States and elsewhere. The preparatory work was complete.

He added that, although in the beginning certain members of the Communications and Transit Organisation had conceived the idea of establishing an independent office to collect information, that idea had been dropped.

It would be possible to consider whether economies could be effected, particularly on publications—at all events at the beginning. At the same time he would point out that the less money there was available for publications, the less benefit would the various countries receive from the work. The essential point was that the Organisation should have sufficient funds to carry out its task.

Replying to the question referring to the state of ratifications, he observed that it could be answered either in a general way or in a very detailed fashion, which would take up a good deal of time. Details of ratifications up to the date of the present session of the Assembly were to be found in document A. VI (a).

Speaking generally, he thought it was correct to say that the Convention on Freedom of Transit had been ratified by almost every country in Europe. The same could not be said of the non-European countries, but there also some progress had been made. Chile had ratified the Convention last year, being the first American country to do so.

With regard to the Convention on the Regime of Navigable Waterways of International Concern, the situation had changed but little since last year. The principles of the Convention were generally applied in Europe, and it had been ratified by a large number of European countries.

The same might be said of the Declaration concerning the Right to a Flag of States having no Sea-Coast.

Progress in connection with the more recent Conventions on the Regime of Railways and the Regime of Maritime Ports was well maintained; but it was to be noted that certain important countries had not yet ratified those Conventions. The Organisation had not been informed of any essential difficulty, and the delay was probably due to parliamentary procedure in the countries concerned. It was not for him to offer any criticism upon that; the protracted consideration given to these questions by the Parliaments of the countries concerned showed that they were regarded as being of sufficient importance to call for exhaustive enquiry.

He then drew the Committee's attention more particularly to the Convention concerning the tonnage measurement of vessels in inland navigation. That was the first attempt at a continental regional convention. Ratifications had been very quickly secured, and at the time of speaking only three or four of the countries concerned had not yet ratified.

M. GLIWIC (Poland) expressed his great admiration for the work achieved during recent years by the Communications and Transit Organisation. This was no mere conventional phrase, but the expression of a genuine sentiment based on an increasing knowledge of the work accomplished by the League of Nations in that sphere.

The Organisation was providing solid foundations for international peace, and he regretted that the Second Committee could not devote its entire time to economic questions and work at them as it would like and ought to do.

Poland had special cause for paying tribute to the work which had been done. About a year ago, a committee of experts appointed by the League of Nations at the invitation of the Polish Government had completed the study of a difficult problem, viz., the draining of the marshes in Polesia, which were the most extensive in Europe. The results of the investigation were embodied in a special report, and the time had come when the work could be carried forward by regular stages. Progress was slow, and the work would require great technical and financial efforts. Once it was terminated, however, several hundred thousands of hectares would have been redeemed for cultivation. The problem which had long been discussed in theory, had now entered into the domain of realities, thanks to the efforts of the League of Nations.

Poland particularly appreciated the activity of the Communications and Transit Organisation, because railways connecting all parts of Europe passed through her territory from north to south and from east to west. This imposed a heavy burden on the Polish Government whose policy was most liberal in the matter of transit. If the amount of traffic was not yet as great as might be desired, that was owing to the fact that certain railway lines of international interest, the exploitation of which was of interest to third Powers, had not been developed for political reasons which had nothing to do with Poland. All those who had followed the recent work of the Council knew to what lines and to what country these remarks applied.

He then explained what his Government had already done in the matter of transit. In addition to the construction of a railway line intended to connect the basin of Upper Silesia with the Baltic Sea, numerous frontier stations had been established and a number of agreements concerning transit tariffs had been negotiated with various countries. As a result, the number

of tons transported in transit had doubled from 1925 to 1927 and now amounted to 6 millions.

He would refer to the Port of Gdynia—where the tonnage after only two years of existence already amounted to 150,000 tons per month—as an instance of what had been done in the matter of maritime communications. This proved that Poland needed two large maritime ports, more especially as she was now connected by lines of navigation with France, England and South America, and hoped to establish regular communications with the Mediterranean ports.

Passing to the question of roads, he stated that the Polish budget for the year 1928-29 provided a credit of 40 million zloty for the purpose, and therefore a rapid improvement in Polish roads might reasonably be anticipated.

As regarded air communications, six national lines already linked up the various centres in Poland and were connected with other international lines. Special agreements concerning air transit were in course of preparation.

He thought that the question of radiotelegraphy raised by the Roumanian delegate should be dealt with in collaboration with the Sixth Committee.

Hussein Khan ALÂ (Persia), after thanking the Japanese delegate for his report and offering his congratulations, wished to say a few words concerning the approval of his Government of the work of the Communications and Transit Organisation, which was so important for the consolidation of peace.

Persia was essentially a transit country which from time immemorial had been the connecting-link between East and West. She was thus specially concerned in all matters of communications and transit.

Persia was busily engaged in improving her means of communication by relaying roads, developing motor traffic and building railways to replace the caravans, and she was encouraging sea and air navigation.

She was also eager to obtain transit facilities from her neighbours, in order to increase her relations with the West. Negotiations had been undertaken with the Union of Socialist Soviet Republics and had already produced excellent results.

Persia also hoped that in Syria and Iraq, which were mandated territories of the League of Nations, she would obtain that full freedom of land and river transit which she so greatly desired.

She was, in fact, fully prepared to conform, as far as possible, to the suggestions advocated by the various organisations of the League of Nations, with the sole reservation that she could not adhere to conventions such as that on arms and munitions, which would trammel her rights and her sovereignty over her territorial and maritime possessions.

Mr. ROY (Canada) expressed his complete agreement with the Rapporteur as regarded the work of the Organisation for Communications and Transit, and was prepared, should occasion arise, to give it his full support in the Fourth Committee. He wished, however, to raise the question of passports to which no reference had been made in the report.

He thought it was high time the question came before the Second Committee. He had already referred to it two or three years ago. He admitted that improvements had been made, but considered they were inadequate. After ten years of peace, passports might well be dispensed with, as they had been before the war. The vexations to which one was exposed at every frontier should not be allowed to continue and were entirely in conflict with the desire of all nations to come together in the interests of peace.

Sir Sydney CHAPMAN (British Empire) asked what was the exact nature of the document called "Notes by the Rapporteur".

M. NAGAI (Japan), Rapporteur, replied that the information in question had just been given verbally by M. Haas. This document, in view of the decisions which the Second Committee had already adopted with regard to the procedure for the discussion of such questions, would not be submitted to the Fourth Committee, and consequently there was no occasion to raise any question with regard to it.

Mr. HIAM (Member of the Communications and Transit Section), in reply to the Canadian delegate's observation, reminded the Committee that two passport conferences had been held under the auspices of the League of Nations, and that delegates had not been unanimous with regard to the general advantages to be derived from the suppression of passports. They had, however, been agreed that an attempt should be made to reduce the inconvenience of visas.

At the present time, there were no indications that general opinion was in favour of the suppression of passports. The British Government, for instance, considered them highly useful. It was true that they had not been required before the war, but British nationals had always had a right to a passport. It was also true that no reference was made to visas in the report, but the Communications and Transit Organisation would publish a list of countries which had entirely or partially suppressed visas (Annex 5).

Last February, the Organisation for Communications and Transit had submitted to the States represented at the Passport Conference a request for information regarding the measures adopted by those States in pursuance of the recommendations made by the Conference, asking that this information might be supplied for this autumn. Some replies had been received and others would follow.

The draft report and resolution were adopted.

M. NAGAI (Japan) was appointed Rapporteur to the Assembly for questions of communications and transit.

M. NAGAI (Japan) thanked his colleagues for their kind references to himself and paid a tribute to the valuable co-operation of M. Haas.

14. Greek Refugee Settlement and Greek Stabilisation Loan.

M. HELDRING (Netherlands) read his report (Annex 6).

He added that he had had the pleasure of meeting a number of prominent men in Greece. He could speak from personal experience in saying that all the statements in the report were strictly in accordance with the truth. Greece had made great progress, owing to the work of the Commission set up by the League of Nations.

M. CACLAMANOS (Greece) desired to thank the delegate of the Netherlands for his report, which dealt with all the main questions. He also desired to express his gratitude to him for the personal remarks which he had added.

The work of settling the refugees was a very serious problem for Greece. A nation consisting of only 5 millions had to absorb a population of 1,500,000 persons. The accomplishment of this task would constitute a proud page in the records of the Hellenic peoples and in those of the League of Nations. He would take advantage of this opportunity to express the deep gratitude of the Hellenic people to that great European, Dr. Nansen, who was the real originator of the idea that the League of Nations should assist Greece in the settlement of her refugees. He particularly wished to emphasise the point mentioned at the end of the report, namely, that Greek Macedonia now contained a far more homogeneous population than at any other period in its history.

As regarded financial stabilisation, he would observe that the figure of 53 per cent given in the report as the cover for the banknote circulation in Greece was not quite accurate. M. de Chalendar might be able to enlighten the Committee on this point. This figure actually represented the cover for the aggregate liabilities of the Bank of Greece. The cover for the note circulation was, as a matter of fact, 82 per cent.

He saw no objection to the Rapporteur taking up a sentence from the report of the Financial Committee to the effect that "the Government's budget balances, though at a rather high level, so that, to ensure the economic future of the country, drastic economy in public expenditure will have to be observed". He thought that he might even add that the Greek Government had, on its own initiative, submitted to very stringent measures of economy, and the new Ministry which had assumed power two months ago proposed to continue the same financial policy. From the very outset the Prime Minister had requested his colleagues in the Cabinet not to approve any expenditure without first asking themselves, in all honesty, whether this new charge was absolutely indispensable.

Greece was, however, obliged to undertake certain productive expenditure. For instance, it must shortly make a start on the reclamation of the immense swamps in Macedonia, thus rendering several hundred thousand hectares available for agriculture. The wealth of this province would thereby be considerably increased, and the Greek importation of cereals would be reduced. This expenditure would constitute a heavy charge on the budget, but would ultimately represent a considerable saving.

M. DE CHALENDAR (Chairman of the Financial Committee) stated that he had nothing to add to the report submitted.

In reply to the remark made by the Greek delegate concerning the percentage of cover for the note circulation, he would confirm that the percentage given in the report applied, as a matter of fact, not only to the note circulation but to all sight liabilities of the Bank of Greece.

He associated himself with the sentiments expressed by the Rapporteur at the end of his report, as well as with the congratulations addressed to the Refugee Settlement Commission on its work and to the Greek Government on the steps it had taken to ensure monetary stabilisation.

The CHAIRMAN proposed that M. Heldring should be appointed Rapporteur for this question to the Assembly.

M. HELDRING (Netherlands) thanked the Greek delegate for his kind words. He regretted that he was unable to accept the duties of Rapporteur as he was obliged to leave Geneva that

day. He proposed that M. François, also a delegate of the Netherlands, should be appointed in his place.

The draft report and resolution were adopted.

M. FRANÇOIS (Netherlands) was appointed *Rapporteur* to the Assembly for the question of Greek refugee settlement.

15. Work of the Financial Committee.

M. SUVICH (Italy) read his report (Annex 7).

He added that it was difficult for him, as a member of the Financial Committee, to submit to the present Committee a draft resolution expressing his approval of the Financial Committee's work. He therefore requested the members of the Committee to regard the draft resolution as unwritten.

M. Suvich supplemented his report by the following observations :

The report had been kept within relatively narrow limits, because it dealt either with questions which had already been discussed at previous Assemblies, or with questions which were still at their initial stage and might again be brought before the Second Committee in the future.

He desired, however, to add a little information with regard to two questions, namely, the scheme for providing States victims of aggression with financial assistance and the purchasing power of gold.

The Financial Committee and the Secretariat had studied most thoroughly the question of providing States victims of aggression with financial assistance. It might be remembered that the Council, at its meeting on December 8th, 1926, when dealing with disarmament questions, had requested the Financial Committee to examine the Finnish Government's proposal with a view to the establishment of a common scheme of financial assistance in support of a State which was the victim of aggression.

The Financial Committee considered this question at two of its sessions, in March and June 1927, and submitted to the Council a report in which it outlined the practical and possible solutions of the problem and laid down certain general principles.

In its main outline the scheme was as follows :

A State victim of aggression would be helped by the League to obtain credit on money markets in the ordinary way.

The assistance would take the form of a guarantee for the loan to be floated. It would be furnished by the participating States up to a maximum amount fixed beforehand. In addition to the primary guarantee provided by all the States participating in the scheme, a super-guarantee was also contemplated under which a limited number of signatories, whose financial position was exceptionally strong, would guarantee to the subscribers the whole amount of the loan.

At its sessions in June and September, 1927, the Council considered this report, which had been communicated to all States Members of the League, and decided to submit it to the Assembly, together with the observations of the various Governments. The Assembly, at its eighth ordinary session in September 1927, resolved to submit all the documents concerning the question of financial assistance to a special Committee, to be set up within the Preparatory Committee for the Disarmament Conference, for the consideration of measures which might provide all States with those guarantees which were necessary to ensure arbitration and security.

In giving effect to the resolution of the Assembly at its eighth ordinary session, the Council requested the Financial Committee to co-operate with the Committee on Arbitration and Security and with the Preparatory Committee for the Disarmament Conference with a view to drafting a definite scheme of financial assistance.

These joint labours and enquiries showed that it would be necessary to settle beforehand various questions of a legal and political nature—in particular, the question whether financial assistance should be embodied in a special convention or in a convention concerning the limitation of armaments. Another problem which had to be solved was whether financial assistance should be accorded solely in the case of actual aggression, or also in the case of a threat of aggression. Finally, a decision had to be reached as to whether only State Members of the League might participate in the scheme, or whether other States should be allowed to participate, and, if so, under what conditions.

As would be seen, these questions were of primary importance, affecting as they did even the Covenant itself and the problem of disarmament.

The Third Committee was at present considering these problems, which would be submitted to the Assembly for decision.

On the basis of this decision, the Financial Committee would be able to continue its enquiries—which had already reached a very advanced stage—with a view to submitting, eventually, a complete scheme for assistance worked out from a technical point of view.

Although the Second Committee was not called upon to take a decision on this point, he had thought it advisable to describe the various phases through which this particularly delicate and complex question had passed, if only to enable the Committee to realise what truly remarkable progress had been made.

The other point to which he desired to draw attention was that of the purchasing power of gold. This question had been raised on several occasions, but obviously it would be necessary to await the fulfilment of certain conditions before the enquiry could be undertaken with any hope of success. It had been practically possible, in the course of the long post-war period, during which the currencies of almost all European States were fluctuating to such an extent that the whole economic and financial fabric of these countries was heavily involved, to ignore the purchasing power of gold and its influence on prices.

Now, however, the situation had undergone a radical change; most countries had stabilised their currency; others were engaged in doing so, and it might reasonably be hoped that in the near future they would have reverted to monetary conditions not too dissimilar from those which existed before the war. He did not think it was out of place to remind the Committee how large a part the League had played in restoring almost normal conditions throughout Europe.

The question of the purchasing power of gold, therefore, arose again as one of the problems of the time. It was unnecessary, he thought, to enumerate all the difficulties which lay in the way of solving this problem now or in the near future. There was lacking, in particular, complete and reliable statistical data which could be utilised as a basis for the preliminary enquiries to be undertaken in this connection. These data concerned mainly the existing quantity of the metal, the annual production of gold, its present distribution, the needs of industry and the amounts the various countries required as cover for their circulation and for minting purposes.

There was yet another difficulty in determining the effect of the fluctuations of gold on the level of prices, after this factor had been separated from all the other factors which affected prices.

To obtain practical and effective results, it would be necessary to study this question jointly with the central banks, which were mainly responsible for the distribution of gold throughout the world. That was an enquiry of exceptional and far-reaching importance which was related to almost every branch of economy and finance.

There were also questions connected with the loans accorded to the municipality and State of Danzig, and currency and banking reform in Estonia. In this connection, he was happy to state that the schemes were—in great part owing to the goodwill of the authorities of these States—following a normal course which called for no special observations.

Finally, the question of utilising the balances from the Hungarian and Austrian loans had been solved. Thus, as had so often been observed both in that Committee and in previous Assemblies, there had been a positive and real success, furnishing striking proof of the advantages that collaboration between States Members of the League might secure in this sphere.

M. HELDRING (Netherlands) expressed his admiration for the work accomplished by the Financial Committee. He would like to know whether provision had been made in the 1929 budget for a special credit for an enquiry into the purchasing power of gold.

Sir Arthur SALTER (Director of the Economic and Financial Section of the Secretariat) replied that no special credit had been included; the decision to undertake the enquiry had been reached after the budget had been drawn up.

The Budget Sub-Committee which had been appointed did not propose to add to the budget any special credit for the enquiry. The enquiry, however, would not be held up owing to lack of funds. The small expenditure it entailed could be covered out of credits for other work of less importance which might be provisionally postponed.

In any case, the work would be done, and the Committee would obtain definite information on this point when it had before it the report of the Budget Sub-Committee.

M. HELDRING (Netherlands) thanked Sir Arthur Salter for his explanation. He desired to avail himself of this occasion to express a sincere hope that the Fourth Committee would not reduce the credits asked for by the Sub-Committee in connection with certain work which had to be undertaken by the Economic and Financial Organisation, particularly in view of the importance of the work in question.

M. GLIWIC (Poland) supported M. Heldring's observations.

The continuation of the discussion was adjourned to a later meeting.

SEVENTH MEETING.

Held on Monday September 17th, 1928, at 10 a.m.

Chairman: M. VEVERKA (Czechoslovakia), Vice-Chairman.

16. Work of the Financial Committee (continuation of the discussion)

Sir A. Yusuf ALI (India) wished first of all to congratulate the Financial Committee on its splendid work during the past year. He saw from the report that the Financial Committee had been chiefly concerned with the financial reconstruction of Austria and Hungary and the settlement of Greek and Bulgarian refugees. The best possible testimony to the League's success in financial reconstruction was the fact that other countries had asked it for similar assistance. Portugal, in particular, had asked that certain measures might be taken to help to restore her financial situation. The League of Nations had replied that it was prepared to give the necessary help, and had laid down certain conditions, but for internal reasons Portugal had changed her mind. The League might possibly receive a similar request for help from Roumania. In any case, all the nations of the world were now well aware that there was at present a highly efficient central organisation which was willing to undertake any investigations required for the re-establishment of economic order in any country whatever, if that country would subscribe to the required conditions.

The question of double taxation and tax evasion, though of great practical interest for European countries, was relatively unimportant in India. As between India and foreign countries, leaving aside the question of other portions of the British Empire, no question of double taxation or tax evasion had been raised. The Government of India had informed the Secretary-General of the League of the interest with which it had studied the experts' report on this subject. Nevertheless, it could hardly concur in the recommendations that had been made, as these amounted to a compromise between the principle of origin and that of residence, while the Indian income-tax law went more by the place of receipt of income than by the place of residence. Accordingly, before acceding to a Convention like the one proposed, the Government of India would be obliged to make fundamental changes in its income-tax laws. He was not aware that any Governments, except some of the British Dominions, had made any approaches to India for reciprocal concession in the matter. The Government of India had been invited to send an expert to the Conference of Government Experts to be held in October 1928, but it was not certain that it would be possible for it to do so.

Another question of the very greatest interest for India was that of the purchasing power of gold. India had adopted the gold standard, but not a gold currency. The reason was obvious. In India a large amount of gold was used for ornaments and social purposes and if the object was to economise gold for its use in the world as currency, the postponement of a gold currency in India was considered desirable. At the same time, as the currency circulation of India was now based on the gold standard, she was in direct monetary connection with the rest of the world and was therefore interested in the stabilisation of the gold prices of commodities.

The question of a Central Bank in India had already been thoroughly explored, and it figured largely in the discussions of the Indian Legislative Assembly in 1927. For internal reasons it had been impossible so far to establish a Central Bank, but the matter was still before the public. In the absence of a Central Bank, the Government performed the functions of a Central Bank in India, and the literature which India had collected on the subject was, he believed, of some value in the economic discussions.

M. DE VASCONCELLOS (Portugal) first thanked the Rapporteur for his excellent and illuminating commentary on the work of the Financial Committee. As one of the paragraphs of this report summarised the negotiations and the work done with a view to the financial and economic reconstruction of Portugal, he was going to request the attention of his colleagues for a little while in order to give a few brief explanations regarding the action of the Financial Committee.

His first duty—and one which he performed with the greatest pleasure and sincerity—was once more to assure the Financial Committee, worthily represented here by M. de Chalendar, and the Financial Section of the Secretariat, so ably directed by Sir Arthur Salter, of his Government's grateful appreciation of the interest and goodwill they had displayed in examining and understanding the position of Portugal.

After the experts had thoroughly studied the matter, the Financial Committee had itself proceeded to Portugal, where it had gone into all the documents and explored every item that might help it to arrive at a complete survey of the resources and commitments of the country. The Committee had drawn up a detailed balance-sheet of the position of Portugal and had

suggested a very full programme of currency reform and financial and economic reconstruction which had not differed materially from other schemes already contemplated by Portuguese experts and statesmen.

The scheme had included the issue of a loan of £12,000,000 sterling, to be launched under the auspices of the League, provided three conditions which the Financial Committee considered essential were accepted. After the ensuing negotiations and a concerted study of the position by Portuguese experts and the experts of the Committee, the Portuguese Government had stated that it was prepared to carry out the whole of the proposed programme, and that it agreed to all the conditions stipulated for the issue of the loan, except one. The only clause it had been unable to accept was that providing for a control of the application of the loan, to be exercised by an official appointed by the League of Nations.

Such control was contrary to the traditions of the Portuguese Government, which had always avoided it, and contrary also to the clearly manifested feeling of the country. From the outset, Portugal had declared that any system of control whatever by a foreign body would prevent her from accepting the offered assistance. The securities offered for the service of the loan amounted to more than double the charges to be covered, and were solid enough to preclude any risk of their diminishing in value. The Portuguese Government had supposed that on these really advantageous terms it would be possible to avoid the only condition it was unable to accept.

The Financial Committee had thought otherwise. Portugal had therefore thanked the Committee and had resolved to try and manage with her own resources. As a matter of fact, once the issue of the loan under the auspices of the League of Nations had to be abandoned, proof that the proposed control was avoidable was not slow in coming. The Portuguese Finance Minister had received offers from well-reputed financial organisations for loans which would be issued under conditions similar to those contemplated by the Financial Committee, and—an essential point—absolutely without any sort of control.

The Minister of Finance had decided, however, not to resort for the time being to external credit. He had systematically applied the Financial Committee's scheme, with such changes and adjustments as the course of events and the provisional renunciation of external credit had necessitated.

Pessimists had predicted that he would not succeed and that the exchange fluctuations and other financial difficulties would compel Portugal to come back to the idea of a loan. Nothing of the sort had happened; over six months had already passed, and the situation had changed for the better, not for worse.

The Financial Committee's experts had advised Portugal to balance her budget in three years. She had done this in six months, and in the following way: the rates on landed property, urban and rural, had been increased as far as was possible; personal income super-tax had been replaced by a simpler and more productive impost; a "public security tax" on a sliding scale had been levied on the salaries of civil servants and local officials; a further tax had been placed on petroleum, petrol and sugar, including sugar from the Portuguese colonies, and it was proposed to reorganise the industries in question by securing revenue for the State from sugar in the Azores and sugar and spirits in Madeira. The total Government revenue had thus been increased from 1,554,759 contos (roughly £15,000,000 sterling) to 1,919,388 contos, or £19,000,000; in other words, a difference of 364,629 contos, or about £4,000,000.

Further, in all the Ministries reform commissions had been instituted and in three months economies amounting to 150,000 contos, or almost £1,500,000 had been realised. These commissions were continuing their work and hoped to make further progress. The budget for 1928-29 accordingly showed a small surplus of receipts, amounting to 1,576 contos, or £15,000. If he added that the expenditure included an item of £810,000 for the building of roads, as a first step on the way to economic recovery (although this sum was large enough to cover the charges of a full reconstruction loan), it would be seen that Portugal should easily be able to save the situation herself, provided the country responded to the call and supported these heavy sacrifices.

He was happy to be able to add that in July last the receipts from the principal taxes had shown an increase of 62 per cent over those of the foregoing year, thus in so short a space of time exceeding the most sanguine expectations.

The Finance Minister would therefore pursue his task of reconstruction and financial reform, free—if need be—to choose a suitable moment for an external loan—an operation which he would find no difficulty in carrying out without any sort of control, having regard to the very substantial offers to which reference had already been made.

In order to illustrate more clearly the action of the Financial Committee and his Government's attitude, he would ask the Rapporteur in his final report to replace the last five lines by a passage which gave a fuller idea of the matter, without any need for reference to other documents.

In conclusion, he would emphasise that his country had not adopted this financial policy with any intention of holding aloof in splendid isolation. Such an attitude would be in keeping neither with its wishes nor its means. On the contrary, it was counting on all the moral support and encouragement it could get, and, it might be, also, on material support from the Powers

that swayed the economic and financial world, to uphold it in its honest and courageous struggle to accomplish its own reconstruction—an effort inseparable from all the other efforts that were being made for the economic recovery of Europe, which was, after all, the surest pledge for the maintenance and consolidation of peace.

M. DJOURITCH (Kingdom of the Serbs, Croats and Slovenes) said he knew by experience how difficult it was to draw up so lengthy and detailed a report on the work of the Financial Committee, and he warmly congratulated M. Suvich on the way in which he had accomplished his task.

The Financial Committee's reputation now stood very high. He would observe that, when this body had first begun its work, there was no agreement in Europe on the allied questions of financial stabilisation and monetary stabilisation. A few years ago, opinion had still been divided, but to-day it was realised that financial co-operation between States could only be founded on monetary and financial stabilisation, and that the work accomplished by the Financial Committee in certain countries had shown what should be done for other countries. In several cases financial policy had followed the lines advocated by the Financial Committee.

The question of the purchasing power of gold was a delicate one, but the study of it might be very fruitful in results. In his opinion, only the Financial Committee of the League could undertake such a study, and its work in this sphere would doubtless open up fresh possibilities of financial co-operation between States.

M. SUVICH (Italy), Rapporteur, reminded the Committee that at its last meeting he had given detailed explanations on two important questions in his report, namely, financial assistance and the question of the purchasing power of gold.

In order to meet the wishes of the Indian representative, he would add to his report a few words on double taxation and tax evasion.

He could assure M. de Vasconcellos that the Committee had heard with the greatest interest the account of the financial reforms carried out in Portugal. He would willingly amend the last lines of his report concerning Portugal's financial policy.

He agreed with M. Djouritch and thanked him for what he had said about the report.

The draft report and resolution were adopted.

On the CHAIRMAN'S proposal, M. SUVICH *was appointed Rapporteur to the Assembly.*

17. Economic Work of the League (Continuation of the general discussion).

Baron SZTERENYI (Hungary) associated himself with the tribute paid by former speakers to M. Loucheur and to the League's work in the economic sphere. He noted, however, with regret, that certain States, contrary to the League's recommendations, were practising a policy of economic isolation, and that, if the official declarations of the various Governments, which appeared in the League's publications, were compared with the actual state of affairs, the difference between word and deed would be found to be striking.

Even to-day, certain States considered the limitation of free trade as a method of protecting their home production. The system of the prohibition of importation and exportation had one feature in common with monetary inflation. At the time when inflation first began, many thought they would grow rich and discovered too late that this mass of paper money, far from enriching them, only served to mark their growing poverty. Prohibition of trade must necessarily have the same results.

Hungary had been one of the first countries to conform to the League's principles when, after the failure of the Porto-Rosa Conference, she had decided, in 1924, to act independently of her neighbours, to abolish a disastrous system engendered by post-war inflation, and to re-establish free trade based on the conclusion of commercial agreements. During the transition stage, this decision had been a heavy burden on her shoulders.

The Hungarian delegation accordingly desired to give its cordial support to the Netherlands representative's resolution that the contracting States be urged to ratify the Convention on Import and Export Prohibitions and Restrictions and to put it into force as soon as possible. Hungary, which had applied the principles of that Convention in their entirety, would ratify it this autumn.

As regarded the European Customs system, he fully agreed—so far as principles were concerned—with the report, and with M. Serruys' conclusions. It could not be denied that a certain amount of progress in the commercial field was apparent, and that public opinion had begun to grasp the League's purpose. The Franco-German Commercial Treaty, which, in view of the standing of the two contracting parties, would have a favourable reaction on the European economic position as a whole, the agreements between Hungary and Czechoslovakia, between Hungary and Austria, and between the Kingdom of the Serbs, Croats and Slovenes and Austria, marked a step forward towards an economic position resembling pre-war conditions. But this was not enough. At its meeting at Berlin, the Inter-Parliamentary Union, after adopting a resolution in which it agreed with the League that the prohibitive Customs system

could not be maintained, that, in the interest of the nations, tariffs should be progressively lowered, and that economic rapprochement between the various countries should be accelerated as much as possible, pointed out at the same time that all these fine principles were no more than pious aspirations. Not only had Customs tariffs not been lowered, but, on the contrary, in many cases they had been considerably increased. The principle generally accepted before the war that Customs tariffs—except in the case of certain items of purely fiscal interest—should be confined to the requirements of national economic life had been abandoned in many cases. There was no need to demonstrate the harmful consequences of this policy, both to national economic life and to social conditions.

But even from the fiscal standpoint the argument that revenue was enhanced by Customs duties was superficial. In this connection, Mr. Layton, the eminent economist, had specially mentioned in a recent article Hungary's case, to show that the lowering of Customs duties might lead to an increase in revenue as a result of an increase in trade.

It was quite natural that the autonomous tariff of the various countries should be lowered by the conclusion of commercial treaties. The autonomous Hungarian tariff, for example, had been lowered by about 50 to 60 per cent as a result of the conclusion of several such treaties. All this, however, was only a part of the question and perhaps the least important part. The fundamental point was the general reduction of Customs tariffs. This general reduction could not be brought about by the Powers acting independently. However powerful certain countries were, they would only achieve this aim by proceeding on the basis of a collective treaty, *i.e.*, an international agreement. This could easily be proved.

It might perhaps be useful to quote certain facts of interest not only to Hungary, but to all neighbouring countries whose constitution was mainly agricultural. While, following on various commercial agreements, Customs tariffs had been lowered in the case of manufactured articles, import duties on agricultural products were progressively rising in industrial countries. To show the natural consequences of this, it was enough to study the development of Hungary's trade balance as a result of having applied in their entirety the principles recommended by the League. On the conclusion of each commercial treaty, the deficit on the trade balance had become enhanced. In 1925, the deficit had been 75 million gold francs; in 1926, 175 millions; and, in 1927, when the effects of the treaties had made themselves fully felt, the deficit had risen to 350 million gold francs. It was already certain that this year the deficit would exceed that figure.

These figures were startling, but they were the inevitable consequence of the lowering of Hungary's Customs tariff. On the one hand, the import of manufactured articles had considerably increased, but on the other hand, as a result of the raising of the tariff on agricultural products by the industrial States, the export of these products had diminished. Thus, a State, by conscientiously following the League's advice, found itself eventually in an unfavourable economic position. This could not be the League's intention.

There were two serious consequences of this state of affairs. One was that the economic strength of States consuming manufactured articles was weakened, and that accordingly their consuming power was also weakened—which was contrary to the interest of industrial countries and, moreover, in flagrant contradiction to the League's recommendations which advised countries to increase their production by increasing their consuming power; another was that the falling off in the export markets for agricultural products obliged agricultural countries to produce manufactured articles, even those to which the natural conditions of the country were not normally favourable. In contradiction to the League's principles, this implied an intensification of Customs protection on the one hand, and, on the other hand, the future growth of difficulties which would have to be overcome when a general reconstruction and an international rapprochement of economic systems were attempted—he hoped in the not very far distant future.

He regretted to have to point out that the Economic Committee had not dealt with these considerations. Without wishing to make a definite proposal, he thought he was acting in the general interest when he suggested that an exhaustive study of this subject should be made, thus bridging the gap in the report.

M. STUCKI (Switzerland) said he spoke not only as delegate for Switzerland, but also as a member of the Economic Committee.

He noticed that there was a certain amount of impatience in almost every quarter regarding the economic work of the League. He referred to the opinion that had just been expressed by the Hungarian delegate, that Governments were not proceeding fast enough and that their work often contradicted that accomplished at Geneva.

He agreed on the latter point with Baron Sztrenyi, but thought they should not be impatient, for the work of the Economic Organisation was extremely heavy and, frankly, not all the members of the Economic Committee found it easy to keep up with M. Serruys or possessed his tremendous capacity for work.

M. Loucheur, when dealing with the work of the Economic Committee, had referred to an engine and its steering-wheel, and M. Serruys, in speaking of the Consultative Committee, had added the idea of an "accelerator" to the metaphor. But they should remember how many accidents resulted from excessive speed; before starting, it was advisable to inspect the brakes. The programme of the Economic Committee was certainly overloaded. While the problem of the most-favoured-nation clause, particularly in its relationship to collective treaties, was still

far from solution, measures were already being taken to deal with the questions of coal and sugar. Attempts had been made for many years before the war to solve the sugar problem and, as for coal, the producing countries had been endeavouring to find a solution for several years past without success. The Economic Committee, however, was expected to solve this problem in a few months, though it only met four times a year for eight days at a time.

Mr. DUFF-COOPER (British Empire) suggested a small amendment to paragraph 5 of the draft resolution. He suggested omitting the words "bringing into force" and "drawn up in common", and reading "by means of a milder Customs regime".

He wished to take the opportunity of congratulating the Rapporteur on his able report, which was a model of its kind. It was both practical, because it was cautious, and progressive, because it was full of useful suggestions for the future.

There had been signs of impatience. It should be remembered that economic questions were extremely difficult to deal with from a national point of view and obviously much more difficult from an international standpoint. Happily it was beginning to be realised that the international interest and the national interest were identical, in the same way that the interest of the State was really the sum total of the interests of all the different individuals composing it.

M. BELLONI (Italy) congratulated M. Serruys on his splendid speech at their last meeting. M. Serruys could always be relied upon to provide not only an important contribution to the work of the various committees in which he was participating, but some clear and constructive explanations.

Replying to those who were showing signs of impatience, he recalled the magnificent results already produced by the economic work of the League of Nations. Two years previously it was questionable whether they would ever reach a definite classification of the economic problems before them. Nevertheless, this result had been achieved and the Economic Committee was now about to attack two great problems, those of coal and sugar. In order to estimate their importance, it was only necessary to recall that coal was the most important of all raw materials and that the sugar problem was both industrial and agricultural in nature, since it included the two problems of the sugar-cane and the sugar-beet. From the long and arduous enquiry before the Committee, fundamental principles would emerge that would assist it in solving other problems.

Although M. Loucheur, M. Serruys and others had spoken of caution and were anxious not to proceed too fast, they did not intend thereby to detract from the importance of the work of the Economic Organisation but were really intending to aid it. The results obtained in the last two years enabled him to declare his complete confidence in the future.

Mr. DUNNING (Canada) thanked M. Loucheur for his excellent and lucid report on the work of the Economic Committee. It must be remembered that economic war was one of the major causes of actual war and that, in consequence, it was the duty of the League to investigate economic problems which might, in their final analysis, be the cause of international conflict.

He alluded to the fears expressed by the representative of Ireland regarding the tendency to stabilise the present relative economic superiority of some countries and also regarding the position of agriculture. He ventured to assert that any attempt to stabilise the condition of agricultural countries on a relatively lower economic plane was not of a nature to ensure peace.

He drew attention to the fact that Canada had lowered her tariffs since the war; by that he did not mean that she had raised them first by 200 per cent and then lowered them by 50 per cent.

In conclusion, he expressed his belief that it was in the interest of all countries that the work of the Economic Committee should continue. He had not attempted to criticise it, but merely to explain the nature of certain criticisms.

M. DJOURITCH (Kingdom of the Serbs, Croats and Slovenes) expressed his appreciation of the programme for future work laid down in the report.

He believed M. Serruys was right in stating that the progress achieved by certain conferences, during last year in particular, was such as would scarcely have been thought possible only a few years ago.

After what M. Serruys had said, he no longer feared that insufficient attention was being given to agricultural problems. He did not altogether agree with M. Loucheur's remarks to the effect that the preparatory work regarding agricultural questions had not made sufficient progress. He considered that it was equally to the advantage of the general work, and possibly also to that of the study of industrial questions, that the work with regard to agriculture should be speeded up. Certain misunderstandings would not be removed unless the two problems were attacked along parallel lines.

Mr. MALLIK (India) after associating himself with the congratulations which had been addressed to M. Loucheur, said that he was pleased to note the great development in the work of the Economic Organisation since the International Economic Conference. He welcomed the appointment of one of his compatriots, Sir Atul Chatterjee, to the Economic Consultative Committee,

and of Mr. Lindsay to the Economic Committee. This was a proof of the importance which the League of Nations attached to India, which was pre-eminently an agricultural country, and a producer of raw materials. India had been represented at the Conference for the Abolition of Import and Export Prohibitions and Restrictions. Subject to reciprocity, she would assume all legitimate responsibilities acceptable to any other State.

The Government of India had examined the report of the Economic Conference, and considered that the recommendations of that Conference were in conformity with the principles governing Indian policy. It was therefore willing to accept, as far as possible, any convention put forward to give effect to specific recommendations of the Conference, and Indian policy would continue to develop along the lines of the Economic Conference's recommendations.

Like other countries which produced raw materials, India was anxious not to be hampered in her industrial development; he therefore thought that no attempt should be made to stabilise the *status quo* in regard to the relations between those two branches of economic activity. He had the honour to submit to the Committee the following amendment to the draft resolution on the economic work.

First paragraph of the draft resolution: Omit the words which follow "In regard to the undertakings" and substitute for them "resulting from the resolutions of the World Economic Conference which were recommended to the favourable attention of all Governments at the eighth ordinary session of the Assembly".

Second paragraph: Omit the words which follow "reaching practical results" and add the following new paragraphs:

"Believes also that the successful attainment of the objects contemplated by the World Economic Conference will largely depend upon the measure in which it will prove possible to harmonise the interests of agriculture and industry, account being taken, *inter alia*, of the particular position of countries which are mainly agricultural or in the early stages of industrial development;

"Approves the view expressed by the Economic Consultative Committee that the systematic study of the problems of agriculture will be an important factor in the encouragement of economic co-operation between peoples."

He then explained the reasons for his amendment. On the one hand, he was of opinion that closer co-operation should be established between the International Institute of Agriculture at Rome and the League of Nations. On the other hand, he considered it expedient to interest agriculturists in commercial problems and to associate them with manufacturers and producers of raw materials.

He was speaking not only as the delegate of India, but also as the representative of a State Member of the League, when he drew the Committee's attention to questions which aroused certain misgivings, for these, if they continued, would undermine the ideal of co-operation and goodwill between Members of the League of Nations.

M. PFLÜGL (Austria) regretted the absence of Dr. Schüller, first delegate of Austria, but desired to bear witness once again to the value attached by his country to the economic work of the League. He referred to the Convention of November 8th, 1927, concerning the Abolition of Import and Export Prohibitions and Restrictions, which, in his judgment, formed a link in a chain recently lengthened by the conclusion of a commercial treaty with France. He was glad to meet as a member of the Committee one who was largely responsible for framing this Convention.

Austria realised the need for prudence; she did not expect that miracle against which M. Stucki, the Swiss delegate, had warned her, but awaited with tranquillity and confidence the results which would inevitably be forthcoming if the work in question were carried out according to plan, and which, for Austria, was indispensable.

Sir Granville RYRIE (Australia) wished to draw the Committee's attention to the work of the Sub-Committee of Experts on Veterinary Questions. The work of this Sub-Committee was of great importance in connection with the export and import of livestock. In order to show how keenly Australia was interested in this problem, he might mention that there were in that country 100,000,000 sheep whose wool produced an annual revenue of £75,000,000. In all the States of Australia, animal diseases were subject to very strict measures of control. It was compulsory to give sheep a disinfectant dip once a year. In the case of cattle, this was only compulsory when they were crossing State frontiers.

The Sub-Committee should continue its work and should deal solely with the technical aspect of veterinary problems, avoiding all interference in the national policy of the various Governments.

M. GLIWIC (Poland) requested the Rapporteur to insert at the end of the report the following paragraph:

"The Economic Conference, in one of its general resolutions, stressed the connection between economic policy and world peace, and the Consultative Committee recommended

that a preliminary study should be made during the present year of the economic tendencies likely to influence world peace. The importance of this question, which is directly related to the first of the two aims of the Conference, namely, the introduction of conditions favourable to peace, must be obvious to everybody, and it is desirable that this preliminary question of principle should be dealt with by the Economic and Financial Organisation in addition to the practical work already undertaken, or contemplated, by the Economic Committee."

M. LOUCHEUR (France), Rapporteur, pointed out that the amendments to his report which had been proposed did not in any way affect principles; they were simply matters of form. In those circumstances he suggested that it should be left to the General Committee, to the authors of the amendments and to the persons concerned to draw up the final text together. That text would be immediately printed and distributed, and, if anyone had any further observations to make, he could send them to the Secretariat.

M. Loucheur, in turn, thanked the members of the Committee for their cordial congratulations, which he warmly appreciated. He proposed, when submitting his report to the Assembly, to repeat his explanations, which he would now complete.

It seemed to him from the discussion that anxiety had been felt on three points.

The first which had already been mentioned in the Assembly, was as follows: By developing its economic activity the League might be interfering with national interests, thereby affecting national sovereignty.

The second was that the Economic Section and the Economic Organisation in general should not work solely in order to consolidate the position of highly developed nations at the risk of sacrificing others now in a stage of evolution.

The third was that as much attention should be given to agriculture as to industry.

He wondered whether any of his colleagues could quote a case in which greater attention had been paid to the interests of highly developed nations than to those of nations in a state of evolution.

He could not regard the fears that had been expressed as any kind of reproach. He had followed the work of the Economic Committee day by day and had never received the slightest impression that this organ had endeavoured to strengthen the position of more highly developed nations at the expense of the others. The League was a League of Nations. He had said the other day that, in the eyes of the League, there were no great or small nations but only nations having equal rights and equal power to proclaim those rights. The members of the Committee had heard the nations express their views. He begged them, however, not to go back to their countries with the apprehension that they might be sacrificed in the course of the work now being carried out, for he could assure them that it had never been the intention of those who were nationals of highly developed countries to do anything more than consider in common the economic situation of all countries. He would lay special stress on that point, for it was his own sincere conviction.

As someone had been kind enough to refer to him as the father of the International Economic Conference, might he add that France had not been bound to take that step? She had been at that time in an admirable economic position; she had been one of the nations which had most rapidly recovered after the war. Notwithstanding this, the French delegation had come to Geneva and had said: "Here is a world problem. We feel that it is now high time to abandon national egoism". An endeavour had been made to unite all efforts for the common good.

Had they succeeded? That was the question. He wished to assure them that he himself was astonished at the results which had been achieved in so short a time. It was only yesterday that the International Economic Conference had met and the Consultative Committee had sat for the first time that year.

If his colleagues read his report, he thought that they would share his astonishment. There had been some talk about going too fast. He agreed with M. Stucki that the engine to which the Economic Committee had been coupled had to pull a heavy load. That was perhaps the fault of those who had not understood the importance of the problems and, eighteen months ago, had opposed the constitution of a sort of permanent organisation for conducting enquiries. As a compromise, they had been obliged to lay this burden on the Economic Committee. Had the Economic Committee fulfilled their hopes? It had, without a doubt. He had not the honour to be a member of that Committee, and he wished to pay it the highest possible tribute. They might have received a recommendation with no small measure of scepticism. Had they done so? Not at all. They had thrown themselves into the work, heavy though it was, and had succeeded.

He did not propose to take up the points one by one, but a list of them gave considerable food for thought. He felt sure that when the report had been widely distributed in their various countries, many of their fellow-citizens would learn with surprise of the results already achieved. Naturally, much remained to be done, and personally he did not think the work could be disposed of at four annual sessions of the Economic Committee. He thought it would be necessary, at another session of the Assembly in the near future, when a certain amount of what was, in view of the important work to be undertaken, rather niggardly anxiety with regard to budget questions, had been dispelled, to create if not a new organ, at least fresh machinery for the Economic Organisation.

Meanwhile they must not be afraid that progress was either too fast or too slow. He thought

that they had chosen exactly the right speed. At that moment, the work was moving forward without hindrance and without too many difficulties.

Agricultural countries had complained ; but he would remind his hearers that the country which he had the honour to represent was proud of being a great agricultural country, that more than half its population was employed on the land and that France was particularly concerned with agricultural questions. Need he remind his colleagues that it was at the International Economic Conference that agriculture had for the first time been placed on the same footing as industry and had been given the proper importance due to it ; and that, since then, the Economic Consultative Committee had included a large number of representatives of agricultural nations among its members ? Need he remind them that they had shown their desire to place agricultural questions on the same footing as industrial questions in their enquiry ? They had always felt the necessity for such action, and would not alter their views.

A reply, too, had been made to that complaint a moment ago, when it was pointed out that, among the principal raw materials to which the Economic Committee had been urged to pay special attention, was sugar, which he thought, until any fresh definition had been adopted, was certainly an agricultural product. Their desire was to study simultaneously an agricultural product and an industrial product.

He was aware that the question of cattle and of veterinary restrictions had been the subject of many speeches and that much ink would continue to be spilt upon it. That question, which seemed of small importance, had a wide scope because it affected the sovereignty of nations. When a nation said that it did not wish to allow cattle to enter its territory, that meant that its policy was dictated by concern for its own cattle, and that a necessary balance must be sought.

That brought them, perhaps somewhat indirectly, to the great question of international agreements. In the statements made in the Committee much had been said of free trade and of protectionism. The discussion between those two schools would continue as long as the world lasted, and he made no claim to find a means of conciliating free traders with protectionists. If, however, an improvement was to be made in the present situation and the exchange of goods facilitated ; if, without actual free trade, there was to be greater freedom in commercial transactions, it was essential that at a given moment, not so far distant in the matter of sugar and coal, the conclusion of international agreements must be contemplated. In other words, there must be a certain distribution of production in order to prevent a small excess of production leading to too great a fall in the price of a particular product, and to prevent, two or three years later, a small shortage in the production of that same product resulting in too marked a rise in price.

The Consultative Committee had asked the Economic Committee to study the manner in which those international agreements would work. He implored it to set about that task as quickly as possible and, when conducting the enquiry, not to lose sight of the conditions under which it was to be conducted.

The Consultative Committee had itself defined those conditions. There were numerous interests at stake. Not only the interests of producers and consumers, but those of the workers themselves, were intimately connected with production.

He begged the Economic Committee not to falter before the greatness of its work. That was perhaps the most delicate and the most difficult task it had to accomplish. But they would quickly be brought to a standstill in any effort, however determined to reduce Customs barriers, if they did not at the same time endeavour, by international agreements, to regularise the production of the leading nations of the world.

Finally, he would like to express his faith and confidence in the work undertaken.

When he had the honour to submit this question for the first time to the Assembly, he had based his comments on the ideal of peace. That ideal had been referred to to-day. The representative of Canada had said that the Economic Conference was based on that ideal. This was true ; he believed more and more firmly that, if they did not succeed in finding a remedy for the economic difficulties of a large number of nations, whatever efforts they might make elsewhere to prevent war, they would end by creating a feeling of tension such that the world would no longer be able to live in that atmosphere of peace they all desired.

He would like to thank the Economic Organisation of the League of Nations, the Secretariat, so ably represented by Sir Arthur Salter and his staff, and the Economic Committee, to whose eloquent Chairman they had listened, for the efforts they had made to put into practice the ideas which had been put forward. As M. Belloni had said, they might well have wondered if they would ever succeed in classifying the problems. Not only had they all been classified, but one after another they were now being taken up and solved.

That should make them full of confidence. It was upon that note of confidence that he wished to end, for they must go away with a spirit of hope and with the conviction that their work must be continued and finished, though it might take some time to complete it. Finished it must be, however, for the peace of the world was at stake.

The Committee appointed M. LOUCHEUR (France) as Rapporteur to the Assembly for economic questions.

EIGHTH MEETING.

Held on Wednesday, September 19th, 1928, at 10 a.m.

Chairman: M. MOTTA (Switzerland).

18. Question of Alcoholism (continuation).

M. DE PORTO SEGURO (Chile), Rapporteur, thanked the Committee for the honour it had done him in appointing him Rapporteur on this difficult and delicate question. The delegations concerned had fortunately come to an agreement, and, although Chile was essentially a wine-growing country, he was pleased to accept, for the good of mankind, the final proposals adopted by the delegates of such wine-growing countries as France, Italy, Spain, Switzerland and Portugal.

The delegate of Chile then read his report (Annex 8).

The report and draft resolution were adopted.

The CHAIRMAN thanked the Rapporteur for his work.

19. Work of the Organisation for Communications and Transit (continuation).

M. PELLA (Roumania) reminded his colleagues that at the meeting of September 15th he had called the attention of the Second Committee to the use made in some cases of broadcasting for purposes of harmful propaganda against international goodwill. He had submitted a draft resolution in which that kind of propaganda was dealt with both in its political and in its technical aspects.

The Chairman had expressed doubt whether the political aspect of the question fell within the terms of reference of the Second Committee, but M. Pella was pleased to note that the Sixth Committee had dealt with that aspect of the question and, on a proposal by M. Munch, delegate of Denmark, had accepted the views of the Roumanian delegation by adopting a draft resolution drawing the attention of Governments to the danger of broadcasting inspired by a spirit antagonistic to that of the League.

Having obtained complete satisfaction on that point, the Roumanian delegation now wished the Committee to lay before the Assembly a question which had been repeatedly raised by the "Union internationale de radiophonie".

The propaganda aimed against certain States might induce those States to adopt defensive measures which, although quite legitimate, were likely to lead to regrettable results from the technical point of view and constitute a very serious obstacle to the operation and progress of radiotelephonic communications. On those grounds M. Pella requested the Committee in its report to the Assembly to point out the importance of the technical questions raised by such propaganda.

The CHAIRMAN, noting that M. Pella did not insist on submitting a separate resolution and that the draft resolution already circulated thereby lapsed, pointed out that the delegate of Roumania had declared himself satisfied with the resolution adopted by the Sixth Committee by which the attention of the Governments was drawn to the danger of cinematographic performances and broadcasting antagonistic to the spirit of the League.

He was therefore led to think that M. Pella's wishes could be met by inserting in the report a sentence expressing the Roumanian delegate's desire to see the question studied in its technical aspects. This procedure would effectually do away with the need for a separate resolution.

The Chairman concluded with a proposal to leave the drafting of that part of the report to the Rapporteur.

Mr. DUNNING (Canada) said he took it that the political aspect of the matter had been dealt with satisfactorily. It would be remembered that he had called attention to the necessity for taking greater interest in the purely technical side of the matter. There was no doubt that each State had complete sovereignty with regard to broadcasting within its own borders, but the technical aspect was the interference by stations located in one country with the satisfactory operation of stations located in another. It was becoming more and more apparent that some form of international convention would be necessary if international liberty in broadcasting were to be assured, particularly in countries adjacent to each other. He would like M. Haas to give some information as to the progress of such conventions, particularly as to the use by one country of a certain wave-length, or the use of the same wave-length at different times of the day.

In Canada, as he had pointed out, they were in the difficult position in some parts of the country of being unable to obtain radio information by broadcasting from other parts of the

country, but could, and did, get continuous communication from another country. He felt this was a matter for international arrangement in the interests of international goodwill.

M. HAAS (Head of the Communications and Transit Section of the Secretariat) suggested that a procedure similar to that proposed by the Chairman in regard to the question raised by the Roumanian delegate might be adopted with reference to the remarks made by the Canadian delegate, namely, that the attention of the Organisation for Communications and Transit should be drawn to the problem of interference in broadcasting from an international standpoint.

There were at present no international conventions on that question, apart from a general convention fixing wave-lengths for radiotelephony as compared with wave-lengths to be used for other purposes. In order to avoid mutual interference, broadcasting companies in certain continents had indeed concluded more or less formal agreements, but such agreements were not legally binding and had no compulsory character.

Something had to be done in that direction ; but, in view of the rapid progress in technique, it was difficult to lay down for any lengthy period the rights and obligations of each party.

M. Haas believed that mere reference to those problems would be sufficient for the purpose of the report.

Mr. DUNNING (Canada) expressed entire satisfaction with the explanations given.

M. PELLA (Roumania) expressed full agreement with the Chairman as to the procedure to be followed.

The Committee decided to leave it to the Rapporteur to make the necessary additions to the report, as previously adopted.

20. Relations between the League of Nations and Institutes or Bodies set up under its Authority.

Dr. BREITSCHIED (Germany) wished to remind the Committee briefly of the origin of the question. The problem before it referred in part to the application of Article 24 of the Covenant and in part to the acceptance of institutes offered to the League by certain Governments.

Rational co-ordination in the field of international administration had for some years already been felt to be necessary. It had first taken shape in Article 24 of the Covenant, which stated that international bodies set up under collective treaties would be placed under the authority of the League.

There already existed an official statement with reference to that article in a report by M. Hanotaux, which was adopted by the Council in June 1921. The main purpose of that report was the determination, as and when the need arose, of certain rules for the practical application of Article 24. Up to the present, however, the organs of the League had not drawn up any definite rules enabling the Members of the League to apply the article in question. At its session of September 1927, the Assembly therefore requested the Council to submit a report on the subject.

The Committee was now in possession of that report (Annex 9).

Article 24, while giving the League a power, did not seem to impose a duty. In theory, the power conferred by Article 24 on the League was very extensive, but the conditions under which the League should exercise that power must always depend on circumstances of a political, technical and even psychological nature. This consideration, in itself just and natural, which already pervaded the report of M. Hanotaux had also inspired the report recently adopted by the Council.

Although, contrary to what was expected when the Covenant was drafted, only four international institutes had as yet been placed under the authority of the League—and among them were unfortunately none of the great organs which had already existed before the Covenant—it was now possible to lay down general rules for the future.

The Institutes to which he referred were the International Hydrographic Bureau at Monaco, the Central International Bureau for the Control of the Liquor Traffic in Africa at Brussels and the International Commission for Air Navigation in Paris, which were official organisations, and the International Committee of Congresses for Public and Private Relief, a semi-official organ which, as an exception, had been placed under the authority of the League. The relations between the League and these institutions had been more or less close according to the circumstances. Representatives of the Secretary-General had attended the meetings of these institutions and the Secretariat had at regular intervals verified the accounts of one of them ; another regularly submitted reports at the request of a permanent commission of the League.

It was therefore in the light of practical experience, acquired by co-operation in the spirit of Article 24 with the four Institutes mentioned above, that the Council was led to adopt the rules contained in its report.

In concluding his remarks relative to that part of his report, Dr. Breitscheid expressed the hope that, when these rules had been adopted by the Assembly, the necessary efforts would be made to establish on the lines of the Covenant closer relations between the League of Nations and international bureaux which had hitherto held aloof.

The Rapporteur had very little to add to the second part of his report. The events which had led to the creation of the Paris and Rome Institutes were still fresh in every memory. Here it was not a case of the application of Article 24 of the Covenant; the legal position was quite different, for, whereas Article 24 referred to international bureaux established under collective treaties, the Paris and Rome Institutes were due to offers made by Governments Members of the League, which had placed them at the service of the League subject to certain conditions arrived at in each case by agreement with the League. It was in order to facilitate future action along these lines, should similar offers be made later to the League, that it had seemed desirable to the Assembly that some general rules should be laid down.

After these few introductory words, Dr. Breitscheid read his draft report (Annex 10).

Dame Edith LYTTTELTON (British Empire) proposed the following amendment to the end of the report.

“The nomination of members both to the Governing Body and the superior staff of the Institutes should be made without distinction of sex and should correspond with their international character.”

M. BASTID (France) supported Dame Edith Lyttelton's amendment.

Dame Edith LYTTTELTON (British Empire) said that she had inserted in the draft of her amendment the words “without distinction of sex” because she believed that the presence of women in such organisations might prove valuable. In addition, if at some future time the majority of the offices should be held by women, the same text might prove of advantage to men. It was important that not only the Governing Body and the superior staff, but the staff as a whole should be of an international character.

Dr. BREITSCHIED (Germany) gave the fullest support to the amendment proposed by Dame Edith Lyttelton. For twenty-five years he had been a champion in his own country of the rights of women.

He also wished to move that, in the third part of the report of the Council, the words “which will meet periodically” should be inserted after the words “Provision should be made for a Governing Body”, although the idea involved was already contained in the text.

The CHAIRMAN noted the agreement arrived at on Dame E. Lyttelton's amendment. With regard to the most suitable position for the insertion of the amendment, he suggested that the matter be left to the Rapporteur.

M. BASTID (France) considered the addition proposed by Dr. Breitscheid to be of the highest importance. He thought that it should be inserted in the draft resolution.

Dame Edith LYTTTELTON (British Empire) doubted whether the expression used in Resolution 2, “escape the supervision of the League of Nations”, was sufficiently explicit. Would it not be better to say that the “League of Nations should exercise a real control over these Institutes”?

The CHAIRMAN pointed out that they were considering a resolution adopted by the Council, and that it was difficult for the Assembly to introduce amendments to it. It might be completed as suggested by Dr. Breitscheid, but, if they adopted too radical alterations, there would be a danger of disputes of a very difficult nature.

M. SUVICH (Italy) shared the Chairman's opinion as to the inadvisability of further alterations to the Council's resolution, all the more so as the supervision contemplated had already been organised, for it had been settled that the Governing Body of the International Labour Office should also include members of the advisory organs of the League. The effectiveness of the supervision was thus guaranteed.

Dr. Breitscheid's amendment was adopted.

Sir A. Yusuf ALI (India) thought that a third paragraph (c) should be added to Chapter III after paragraph (b). It should be to the following effect:

“The financial standing of the Institute shall be sufficiently assured to avoid any further direct calls on the finances of the League or any of its Organisations.”

M. VON SCHMIEDEN (Member of the Secretariat) reminded the Committee of the origin of those institutes. When the League of Nations had declined to place funds at their disposal, the French Government in the first instance, and then the Italian Government, had provided the funds for the creation and the upkeep of such institutes. The question of contributions from the League of Nations had never been raised.

The CHAIRMAN expressed the hope that the explanations given by the Rapporteur had satisfied the delegate of India. He thought it would be inadvisable to introduce the question of finance ; first because that question had never arisen, as the States which created such institutes had done so hitherto at their own expense, and, although they had on some occasions asked for contributions from other States, they had never approached the League itself ; and, secondly, because it was desirable that the League should have complete freedom of action, should a case ever occur of an institute to which it might think it advisable to grant financial support. The League of Nations should be able to decide in each case individually whether it thought it desirable to have a particular institute placed under its auspices or not.

Dame Edith LYTTLETON (British Empire), while appreciating the observations of the Chairman, thought that mention should, however, be made of the financial aspect of the question. She proposed, therefore, to add to the end of the amendment which she herself had moved, the words " and that sufficient funds be available for that purpose ". In her view, when new institutes were set up under the auspices of the League of Nations, the League must be assured that they possessed sufficient funds to preserve their international character.

Sir A. Yusuf ALI (India) was not particular as to the precise form of words used provided that the principle in his proposal should be adopted. He raised no objections, therefore, to the suggestion of Dame Edith Lyttelton.

He would, however, emphasise the fact that he had not desired to allude to institutes already set up and provided with assured resources. He wished to raise this principle in regard to new institutes which might ask for the patronage of the League. These might be not only institutes possessing Government resources but also institutes dependent upon private funds. If these private funds became exhausted, the position of the League which had given its patronage to the institute in question would become ridiculous.

In reply to an observation of the Chairman, who had pointed out that the League might one day be perhaps compelled to give financial assistance to a new institute, the Indian representative said that the text which he proposed would not prevent the League from taking any such action. He had merely wished to lay down as a principle that, when a new institute asked the League for recognition, the League should, in the first place, make enquiries into the financial position of the new organisation. If, having granted its patronage, the League of Nations had occasion to note that the work of that Institute was so important as to merit financial assistance, the terms of the resolution which he proposed would not make it impossible for such assistance to be given.

The delegate of India would therefore be grateful if reference could be made to this principle in the report.

M. VON SCHMIEDEN (Member of the Secretariat) pointed out that Article 24, to which the Indian delegate had referred, and the creation of Institutes due to funds granted by Governments, were two very different things. Article 24 referred to institutes set up as a result of collective treaties. These were the institutes which asked to be placed under the League's authority, and the last paragraph of Article 24 ran as follows :

" The Council may include, as a part of the expenses of the Secretariat, the expenses of any bureau or commission which is placed under the direction of the League ".

The Indian delegate's proposal was therefore in direct opposition to the Covenant.

The CHAIRMAN noted that the Committee agreed as to the substance of the question ; that was to say, as to the international institutes accepted by the League and contemplated in the resolution. He pointed out to Dame Edith Lyttelton that her amendment contained three distinct ideas, namely, sex, the international character of the institute, and sufficiency of funds, and might be embodied in a sentence of the report mentioning the need for providing adequate funds. Thus Dame Edith Lyttelton and the Indian delegate would obtain satisfaction.

Dame Edith LYTTLETON (British Empire) asked whether the original text of her amendment would in this case be maintained in the regulations, without the addition of the financial clause. She insisted on having mentioned in these regulations the words " without distinction of sex, and should correspond with their international character ". Was the Chairman suggesting that only the financial suggestion should be embodied in the report ?

The CHAIRMAN thought that it would suffice to insert in the report, but not in the draft resolution, a statement which would satisfy Dame Edith Lyttelton on the two first points. He thought it would be better not to insert this text in the draft resolution, in order not to create confusion between the competence of the Council and that of the Assembly. As regards the amendment submitted by the Rapporteur, that the Governing Body of the institutes should meet periodically, this would be inserted in the draft resolution. A distinction must therefore be made.

This procedure, he thought, would give satisfaction to Dame Edith Lyttelton and to Sir A. Yusuf Ali.

Dame EDITH LYTTTELTON (British Empire) regretted she could not accept this proposal. She thought her text should be embodied in the report itself. There could be no reason for thinking that a conflict might arise between the Council and the Assembly, as the Committee was entitled to make additions to the text proposed.

She would also like the financial clause to be inserted, but on this point she would accept the Committee's ruling.

The CHAIRMAN thought that Dame Edith Lyttelton's proposal might be accepted and her suggestion added to the text of the resolution, but that the financial considerations should be included in the report itself.

He asked the Indian delegate to agree to the insertion of his text in the body of the report, and not in the resolution.

Sir A. Yusuf ALI (India) agreed to the financial considerations being included in the body of the report, in view of the explanations which had been furnished.

M. SUVICH (Italy) said he did not wish to oppose the adoption of Dame Edith Lyttelton's proposal, but he thought that it would be preferable for the insertion to be made in the report. Unless this were done, they would risk giving the impression that, before a woman could be admitted to an International Institute, an express resolution or a provision of the statutes was necessary. It would be better to assume that this point went without saying. Nowadays there was no difficulty in women being appointed to a Governing Body or joining the staff of an International Bureau. Their appointment met with no opposition.

Dame Edith LYTTTELTON (British Empire) pointed out that, although there was no legal obstacle to the appointment of women in such institutions, their claims were often forgotten. As regards the League, the appointment of women was provided for in the Covenant, but these institutes were not governed by the Covenant, and therefore it would be well to recall this provision in order to refresh the memory of those who were responsible for appointing the staff.

Dr. Breitscheid's report and draft resolution were adopted together with the amendment proposed by Dame Edith Lyttelton.

On the Chairman's proposal, Dr. BREITSCHIED (Germany) was appointed Rapporteur on this question to the Assembly.

21. Bulgarian Refugee Settlement and Bulgarian Stabilisation Loan.

Mr. ROY (Canada) read his report (Annex II).

In order to avoid misunderstanding he proposed to redraft the last sentence of the first paragraph of Section II of the report as follows :

" This matter gave rise to some difficulties at one time, but arrangements have now been made whereby a technical adviser to the National Bank, who is to be appointed by the Council of the League of Nations, will remain in office for at least two years after the transformation of the Bank into a share company."

M. SUVICH (Italy) stated that, as all the details of the stabilisation scheme based on the issue of a loan of £5,000,000 sterling were known, there was perhaps no need to repeat them in paragraph (b) of the resolution. If, however, they remained there, some indication should be given that the loan in question was intended not only to repay the national debt but also to increase the capital of the Agricultural Bank and the Co-operative Societies' Bank.

He proposed therefore to insert in paragraph (b) of the draft resolution the words : " to the strengthening of the position of the Agricultural Bank and the Central Co-operative Bank", after the words " the stabilisation of the currency".

M. MOLLOFF (Bulgaria) said he was glad to have the opportunity of expressing his appreciation of the draft report.

In the first place he congratulated the League, and in particular the Financial Committee and the corresponding organs of the Secretariat, for the work of the financial reconstruction of Bulgaria which had been accomplished under its auspices in the short period of three years which had just elapsed. The year 1926 had seen the issue of a loan for the settlement of the refugees under the League's auspices and the direction of its Commissioner, M. René Charron. This loan had led to remarkable results and had contributed to the pacification of feelings in refugees circles. There had naturally been difficulties to overcome at the start, but to-day the settlement of refugees in Bulgaria was an accomplished fact.

There still remained the difficulty of the slowing down in the building of houses, following on the last earthquake. In point of fact, all the building wood available had had to be used

for erecting huts for the victims of the earthquake. This difficulty was on the point of being overcome, and there was every reason to hope that the work would shortly be completed under very favourable conditions.

The second part of the report dealt with the stabilisation loan. This had been the subject of exhaustive study and discussion in the Financial Committee. Thanks to the goodwill displayed by everyone and to the judicious advice of the Financial Committee, the obstacles which had appeared at the outset had been completely overcome. The conditions laid down by the Financial Committee had already been partially fulfilled from the administrative point of view. The remaining conditions, which entailed legislative reorganisation, would be dealt with shortly.

There could be no doubt that in the near future the loan would meet with entire success.

He stated that he agreed with M. Suvich's proposal, which corresponded with the Protocol signed by the Bulgarian Government and drawn up by the Financial Committee of the League.

In concluding, he expressed, on behalf of his Government, Bulgaria's gratitude to the Financial Committee and its Chairman, to the various organs of the League which had dealt with the question of Bulgarian refugees, and to the Rapporteur for his friendly statement giving so exact an idea of the work achieved by Bulgaria with the League's help. These results seemed to him an earnest of pacification in that part of Europe and he thought that the League's position would inevitably be strengthened and its prestige heightened thereby.

M. Suvich's proposal was adopted.

Mr. Roy's report and draft resolution were adopted.

On the CHAIRMAN's proposal, Mr. ROY (Canada) *was appointed Rapporteur to the Assembly.*

22. Close of the Session.

The CHAIRMAN noted that the Second Committee had examined all the questions referred to it by the Assembly.

He thanked the Committee for its indulgence and the friendly spirit it had throughout shown him.

He asked the Committee to excuse him for not having always been able to direct its work as continuously as he might have wished, owing to the fact that he had been at times summoned to appear at other Committees.

He took this opportunity warmly to thank the Vice-Chairman, not only in his own name, but on behalf of the Committee, for replacing him so ably.

Finally, he thanked all the staff of the Secretariat, and in particular M. Baumont, whose advice had been most valuable, and Mme. Agresti, who had as usual filled the difficult post of interpreter with distinction.

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ANNEX I.

THE QUESTION OF ALCOHOLISM.

PROPOSAL SUBMITTED BY THE DELEGATIONS OF FINLAND, POLAND AND SWEDEN.

At its meeting on September 23rd, 1927, the Assembly decided to place on the agenda of its ninth ordinary session the proposal with regard to alcoholism made by the delegations of Finland, Poland and Sweden. These delegations had sent the following communication to the President of the Assembly:

"At the seventh ordinary session of the Assembly of the League it was decided, at the suggestion of the first delegates of Finland, Poland and Sweden (see document A.62.1926), to include in the agenda of the eighth ordinary session of the Assembly the question whether the problem of alcoholism should be included in the League's programme of work.

"A more detailed proposal on the same question, drawn up by the Governments of Finland, Poland and Sweden and supported by the Governments of Belgium, Denmark and Czechoslovakia, was submitted to the present Assembly (see document A.19.1927). During discussion in the Second Committee, however, it was realised that this detailed proposal could not be accepted in its entirety by every delegation. In these circumstances, the delegates of the Governments which had signed the proposal decided to withdraw it, while, however, adhering to the principle embodied in it and reserving the right to submit it to the Assembly anew in another form.

"With reference to the decision of the seventh ordinary session of the Assembly, the delegates venture to submit a fresh proposal. The object of this proposal is to co-ordinate and centralise international scientific and practical studies on the problem of alcoholism.

"By 'alcoholism' is understood, for the purposes of this proposal, the abuse of alcoholic beverages and the harmful effects on the individual and society resulting therefrom. In this sense, alcoholism is unanimously recognised to be a severe social scourge, and several aspects of this question clearly call for international investigation and action.

"The problem of alcoholism is so complex that the study and solution of its different aspects call for the assistance of experts in various fields: certain aspects come within the medical sphere, others fall within the domain of social economics and statistics, others again, such as smuggling, are essentially legal. The result is that hitherto the various problems relating to alcoholism have been partially dealt with by the various organs of the League, including the International Labour Office. To a certain extent, this method of work has proved to be fairly successful, and it is desirable to persevere in this direction and to leave the technical work to the services of the League.

"The undersigned delegates, however, draw attention to the fact that these investigations have mostly been carried on independently of each other, without a general plan, and hence without a general view of the whole question of alcoholism. Closer co-ordination in the work relating to this problem is certainly very much to be desired.

"For this purpose, the co-operation of various experts is necessary for the successful study of so complex a question. The best method of providing for this co-operation would undoubtedly be to set up a Committee of experts on alcoholism. This Committee would have to determine what work the various services of the League Secretariat and the International Labour Office could undertake.

"The undersigned delegates venture, therefore, to submit to the Assembly the following draft resolution:

"Whereas it is desirable to co-ordinate the work which the League of Nations has undertaken or will be called upon to undertake on the question of alcoholism, the Assembly requests the Council:

"1. To appoint a Committee of Experts on alcoholism;

"2. To instruct this Committee to study the aspects of the question of alcoholism which come within the competence of the League of Nations and which might be made the subject of scientific or practical work.'

"The undersigned delegates have the honour to submit to the Assembly the above proposal and request that it should be placed on the agenda of the ninth ordinary session of the Assembly of the League.

"Geneva, September 21st, 1927.

(Signed) Vainö VOIONMAA.
F. SOKAL.
Eliel LÖFGREN."

“ Desiring to join in the action already taken by certain States to combat alcoholism, and convinced that such action cannot be really effective unless developed on the widest possible basis, the Belgian, Danish and Czechoslovak delegations give their full adhesion to the request contained in the present note.

(Signed) Dr. Eduard BENEŠ.
Herluf ZAHLE.
L. DE BROUCKÈRE.”

A. II. 4. 1928.

ANNEX 2.

ECONOMIC WORK OF THE LEAGUE.

REPORT SUBMITTED BY M. LOUCHEUR (France).

Before summarising the actual results and the programme of the economic work of the League of Nations, I should like to make a general remark on its scope and importance. The International Economic Conference of 1927 marked not merely a stage but an epoch in the development of this work. In the first years following the war, the exceptional circumstances and special necessities of the war period continued to dominate the economic policy of the nations; no rapid or immediate change was possible. If international action was required during this first period, it was not in the economic but in the financial sphere. The disorganisation of the monetary systems constituted a more serious obstacle to the work of reconstruction than any of the hindrances to be encountered in the sphere of economic policy.

During these first few years the League of Nations therefore paved the way for financial reconstruction; to-day the success of this work is manifest to us. As regards its economic work, this had perforce a more modest character, and consisted rather in preparatory investigations and work. But, in 1927, this initial period was nearly closed; the depreciation of currencies had ceased to be the most serious difficulty; it was becoming evident that the sphere of economic policy was the one in which progress was now called for. It was also recognised that in many countries the feeling was growing that action in this domain was becoming essential and urgent.

The International Economic Conference was convened in response to this feeling; the nature of the report which it drew up and the unanimous adoption of this report, as well as the approval with which its principles were greeted both by Governments and by representative industrial and economic organisations like the International Chamber of Commerce, showed that this Conference had come at the right moment, and that there really existed a powerful current of opinion calling for action in the economic sphere. The Conference did not, properly speaking, create a new force. Its main function was to reveal, display and mobilise existing forces. It was under the impulsion of a vast movement of public opinion which already existed before the Conference, but was reinforced by the latter, that the programme which is before you was drawn up. Thus the effect of the Conference has been a transformation rather than an ordinary normal development of the tasks devolving upon the Economic Organisation. It is now for us to decide whether we desire to promote or restrain this movement.

Do not expect from me a systematic and detailed summary of all the questions dealt with in the past year by the Economic Organisation. You are familiar with them, having no doubt already perused the parts of the report on the work of the Council which deal with this subject, and the two or three other essential documents which have been circulated. I shall therefore confine myself to a rapid survey of the most important points.

I. A year ago this same Second Committee recognised that it was necessary to make certain modifications in the *Economic Organisation* of the League, so as to provide satisfactorily for the application of the International Economic Conference's recommendations. You then laid down certain definite guiding principles which were approved by the Assembly, and which have since been followed by the Council.

The composition of the Economic Committee was made subject to certain rules, and reinforced by the addition of a member from the United States and the creation of the category of corresponding members.

The Consultative Committee was set up in due course according to your directions. The Council decided, however, to enlarge it rather more than you had contemplated, so as to provide for an adequate representation of the different economic forces.

These two Committees have recourse, for the study of particular technical questions, to the help of experts whose duties cease once their task has been performed.

We may add that we can always rely on the help of the Financial Committee, whose work there is no need for me to praise.

Last year has shown us that, far from overlapping, the Economic Committee and the Consultative Committee perform in the same sphere two distinct and equally necessary functions.

The first-named Committee, consisting almost entirely of high officials, who come to Geneva, it is true, in a personal capacity, but exercise a direct influence on the evolution of economic policy in their respective countries, is thus admirably qualified to go into all the details of international economic problems, to work out the solutions required, to judge how far these solutions are practicable at a particular moment, and, if necessary, to induce the different Governments to give them sanction by means of international conventions.

The Consultative Committee, on the other hand, which consists of eminent personalities representing the most varied—and often even conflicting—economic tendencies and interests and coming from twenty-six different countries, establishes direct touch with the most competent section of public opinion, and constitutes a centre whence each year new ideas may emerge which are likely to be of particular value as representing the views of the most varied economic circles.

Without this direct contact with “the open air”, the Economic Committee might to some extent run the risk, despite the progressive spirit of its members, of marking time. On the other hand, without the prudent and experienced guidance of the Economic Committee, the Consultative Committee might sometimes run the risk of trying to go too fast. Together, however, they are like the combination of engine and steering wheel, which alone can ensure constant progress at a reasonable pace.

II. You will remember that last year you expressly asked for the preparation of a *statement of the different replies given by the Governments* in regard to their attitude to the recommendations of the Conference, and of the measures taken to apply these recommendations in the different countries. You will find full particulars in document C.E.I.45 (1), containing declarations of goodwill from a large number of Governments, and in document C.C.E. 7, prepared by the Secretariat for the Consultative Committee. The latter gives a *summary of the principle events* which occurred between May 1927 and May 1928 in the sphere of commercial policy. It enables an idea to be formed of the influence exercised in this sphere by the International Economic Conference. The same document also contains a short description of the developments which took place *in the economic situation in 1927*.

It would be an excellent thing if each year, when the Consultative Committee meets, the Secretariat could prepare a summary similar to that which it drew up last year. We should thus have, in the first place, an impartial and succinct review of the economic situation during the year, and, in the second place, an equally impartial and succinct description of the measures taken by the Governments to meet this situation and to improve it.

III. This was also the object of the first part of the report of the *Consultative Committee*, which met for the first time last May.

As regards *international trade*, the Committee found that the work was already well advanced, thanks to the Economic Committee. Its task, therefore, was light; it had merely to give its approval and encouragement to the various activities that had been undertaken. In one particular domain, however, it exercised a decisive influence, by encouraging the Economic Committee to make partial efforts towards the conclusion of collective agreements for the reduction of the Customs duties applicable to certain very important categories of goods. I shall revert later to this question.

As regards *industry*, the Advisory Committee, having found that it was impossible to give effect to certain of the resolutions of the Economic Conference, laid down definite lines on which studies regarding industrial understandings and the various forms of rationalisation should be conducted.

As regards *agriculture*, the Consultative Committee preferred to await the outcome of the negotiations proceeding between the Secretary-General of the League and the President of the International Institute of Agriculture with a view to establishing closer contact between the two bodies.

Lastly, two important questions, namely, the position of *the coal and sugar industries*, were referred to the Committee itself by one of its members. At first this new departure aroused a few apprehensions; but the fact that the examination of the Advisory Committee's recommendations has been entrusted to the Economic Committee is, I think, calculated to allay these.

The Committee has often enough given evidence of its prudence, and we may be sure that it will not allow itself to be drawn into hasty conclusions or in any way fail to take into account the legitimate interests at stake, whether of producers or consumers, countries or persons.

Moreover, we know to-day that both producer and consumer countries are convinced that it is in their joint interest to have these two problems in all their aspects investigated without delay.

IV. Last year, at this season, you expressed the wish that the *International Conference for the Abolition of Import and Export Prohibitions and Restrictions*, which was to meet a few weeks later, should put an end, by means of a collective agreement, to a regime regarded by all as one of the greatest handicaps to international trade.

Your wish was fulfilled by the Convention of November 8th, 1927, completed by the supplementary agreement of July 12th, 1928. At the present time, it has been signed by twenty-seven countries. This large number shows how greatly the Governments appreciate this first effort to secure greater freedom in international trade.

The first Conference, held in October 1927, while recognising the principle of the abolition of prohibitions, encountered serious obstacles, and it was only by allowing some important, but fortunately temporary, exceptions in favour of specifically mentioned countries that agreement could be reached.

This state of things, however, necessitated the calling of a second Conference in July last, to deal with the reservations which the other signatory Governments had been authorised to present in the interval, and to determine the conditions under which the Convention could come into force. In particular, it was necessary to ascertain the number and names of the countries whose ratification or accession was considered as indispensable if the Convention was really to be effective. I am glad to say that at this second Conference agreement was reached on both points, and that most of the reservations were withdrawn.

This result was greatly assisted by the meeting, in the interval between the two Conferences, of representatives of the Governments interested in the *exportation of hides, skins and bones*, commodities which it seemed must inevitably form the subject of reservations in the general Convention. Not only did these representatives agree to abolish prohibitions, but they went further, and concluded a collective agreement abolishing export duties in the case of hides and skins, and restricting the level of such duties in the case of bones.

We have before us, gentlemen, an agreement, signed by sixteen States, the importance of which exceeds that of its actual contents, inasmuch as it represents the first stage on the way to those collective agreements on Customs duties so strongly recommended by the Economic Conference. Of course, these partial experiments do not in the least mean that we must relinquish the hope of arriving one day at general agreements for the lowering of Customs barriers.

After this successful experiment, the Economic Committee, encouraged by the Consultative Committee, has now embarked on further studies regarding the Customs regime now ruling for products like aluminium, timber, pulp for paper-making, rice, cement, fresh fruits, etc., to see whether collective agreements can be arrived at for these commodities.

V. It is clear, however, that all efforts tending to that object are closely related to the establishment of a *simplified and standardised Customs nomenclature*.

The Economic Conference expressly recognised the close connection existing between the unification of nomenclature and the reduction of duties.

I am glad to inform you that an admirable committee of experts has succeeded, in less than a year, in drawing up the complete framework of a Customs nomenclature. This framework has been put to a practical test and has proved equal to including in its various sub-divisions the different tariff items of five countries with a varied industrial production.

The experts and the Economic Committee agree with the organisations concerned to which the framework has been communicated in thinking that it may henceforward be considered as final. The Council has just communicated it to all the Governments, and we are here in presence of a concrete result of the highest importance.

The experts now propose to undertake the second part of their task, which consists in filling a few of the more important sections of their framework by means of a veritable Customs classification, so devised that it can be utilised both by countries of simple economic structure and by countries with a highly developed industry.

VI. The task devolving upon the Economic Committee in regard to *commercial policy* was, in broad outline, as follows:

1. Comparative examination of the various contractual methods;
2. Study of the most-favoured-nation clause;
3. Possibility of collective agreements in the matter of Customs tariffs.

Interesting conclusions have been submitted to the Council by the Economic Committee on all these questions. These conclusions will, we hope, shortly be embodied in one coherent doctrine, which can be recommended for adoption by the different countries.

The Economic Committee, finding itself confronted with two different methods—that of the *hard and fast tariff* on the one hand and of the *negotiable tariff* on the other—agreed that it would be a mistake to condemn or approve in too absolute a manner either of these methods. It holds that the point of real importance is the spirit in which they are applied. The Economic Committee's reports already show a tendency to reconcile these two systems. The Committee is unanimously of opinion that, while the supporters of the theory of the hard and fast tariff must now admit the necessity of taking into consideration the representations of other countries, the supporters of the negotiable tariff must understand in their turn the necessity of refraining from tariffs established solely for use as offensive weapons; their tariffs should be adapted as closely as possible to the real needs of the country and merely include a reasonable margin for negotiation.

As regards *the most-favoured-nation clause*, the Economic Committee may be regarded as having practically completed the task assigned to it by the International Economic Conference, for it has illustrated in a concrete manner the full meaning and nature of that clause, as well as defined all admissible exceptions.

Finally, in regard to the hitherto unexplored territory of *collective tariff agreements*, I told you just now that the Committee, without giving up hope of general agreements, has preferred to adopt a practical method consisting in a series of experiments with certain groups of commodities of particular importance in international trade. These experiments will make it possible to judge of the value of this method which has, I repeat, the support of the Consultative Committee.

VII. During the past year, the Economic Committee has put the finishing touches to the preparation of *three draft conventions*: one of them deals with the unification of statistical methods, the second is intended to secure equitable treatment for foreigners and foreign enterprises, and the third aims at the unification of laws relating to bills of exchange, promissory notes and cheques.

(a) *The Conference of Official Statisticians* has been convened for November 26th, 1928. In accordance with a practice which has hitherto given excellent results, the Conference will open on the basis of a draft convention carefully studied by the Economic Committee, assisted by competent experts (document C.340.1928.II). We therefore have every reason to hope that the States will agree, according to the provisions of the draft, to publish at regular intervals certain categories of statistics of special importance, and to adopt common rules for their compilation.

Studies are likewise in progress, in co-operation with the International Chamber of Commerce, for the unification of the terminology of *industrial statistics* in certain important branches of production.

These various measures will at a later stage give the Economic Organisation of the League the benefit each year of data which are genuinely comparable, thanks to which it will be able to follow, more satisfactorily than has hitherto been possible, the course of economic evolution, whether in connection with the production or the circulation of goods.

(b) You know that for some years past the Economic Committee, being desirous of ensuring equitable treatment for commerce in all spheres, has given its most careful attention to the *treatment of foreigners and of foreign concerns*. Its work led to the adoption of two series of recommendations which were, by decision of the Council, communicated to the different countries; but the International Economic Conference considered that the moment had come to make a fresh step forward and to prepare a collective agreement. This was one of the tasks to which the Economic Committee, in co-operation with the International Chamber of Commerce, devoted its energy during the past year, and its efforts led to the preparation of a draft convention which is now before the Governments with a view to the convening of a diplomatic conference within the course of next year (document C.174.1928.II).

The chief aim of this draft is to grant foreigners allowed to establish themselves in the territory of any one of the contracting countries treatment as far as possible equal to that granted to nationals. Its adoption would indubitably constitute a considerable step forward in international economic relations.

(c) The question of the *unification of legislation on bills of exchange, promissory notes and cheques* has long engaged the attention of the business world, and it was to some extent under the impulsion of public opinion that the Economic Committee resumed the study of this very complex question.

With the help of two different Committees of experts, it was able to draw up draft conventions tending to bring, at least partially, into line the legislative systems of the continental type. But where national legislative systems still diverge, the Economic Committee's draft supplies a remedy by means of the original conception of uniform rules for solving conflicts of laws. Moreover, these rules may be accepted by countries acceding to the agreement as well as by those remaining outside it.

VIII. During the Conference on the Abolition of Prohibitions and Restrictions, it was found that countries which exported cattle experienced a certain amount of difficulty in acceding to a general agreement which gave them no guarantee against the rigorous and—as it often appeared to them—unjustified application of certain import prohibitions or restrictions based on *veterinary* considerations.

On the other hand, certain States emphasise with reason the necessity for improving and multiplying defensive measures against diseases. Keeping both these points of view in mind, the Economic Committee submitted the question to a Committee of Experts, which has already published a striking report on the organisation of veterinary services, and which is now making a critical study of the veterinary frontier measures in force.

IX. You will remember that, on your Committee's proposal, the Assembly, at its last ordinary session, opened for the signature of all States a Convention for securing the execution of foreign *arbitral awards*. As you know, this Convention is closely connected with the Protocol on arbitration clauses, which was also opened for signature by the 1923 Assembly.

You will doubtless learn with satisfaction that this Protocol has been ratified by nineteen States, without counting the accession of Great Britain on behalf of most of her Colonies. The 1927 Convention has already been signed by ten States.

In order that the position in this connection may be really satisfactory, it is to be hoped that the States which, in ratifying the 1923 Protocol, showed their interest in the question, will proceed without delay to ratify the 1927 Convention, since the latter is intended to ensure the execution of arbitral awards, while the 1923 Protocol only establishes their validity.

X. In accordance with a resolution adopted by the Assembly at its last ordinary session, the Secretariat has distributed to the various Governments a pamphlet giving an outline of the *direct or indirect methods* by which a *foreign buyer* can satisfy himself of the quality of goods bought by him in the various countries.

The particulars contained in this pamphlet are, it is true, incomplete, but its aim was mainly to direct the attention of Governments to the utility of a publication of this kind, both in importing and exporting countries.

There is reason to hope that it will soon be possible, with the co-operation of the Governments, to publish a fuller and more correct account of these measures.

As you see, gentlemen, we have before us a large body of definite results which give evidence both of the effectiveness of the methods followed by the Economic Organisation of the League of Nations and the care it bestows on the execution of these tasks. I am sure that the Committee will desire to express its high appreciation, and this will constitute the best encouragement for the Organisation to continue its work.

* * *

I have the honour to submit the following draft resolutions :

“ The Assembly :

“ 1. Having noted the work of the Economic Organisation of the League of Nations during the past year, observes with satisfaction the progress achieved, particularly in regard to the undertakings imposed on it by the resolutions of the International Economic Conference which were approved by the Assembly ;

“ Is confident that the Economic Organisation will successfully carry through the important tasks still assigned to it, and that it will, if necessary, deal with them in an order corresponding to their respective importance and urgency and the possibility of reaching practical results, regard being had to the manifold, and occasionally divergent, interests involved ;

“ 2. Notes with satisfaction that the Convention for the Execution of Foreign Arbitral Awards, which was opened for the signature of States by the Assembly on September 26th, 1927, has been signed by ten States, and that there have been five new ratifications of the 1923 Protocol on Arbitration Clauses ;

“ Trusts that at least these States which signed the Protocol will accede to the Convention, and thus enable traders in these States to resort to arbitration with full security ;

“ 3. Welcomes the conclusion of the Convention of November 8th, 1927, and the supplementary Agreement of July 11th, 1928, for the abolition of import and export prohibitions and restrictions, and also the two International Agreements, dated July 11th, 1928 ;

“ Earnestly hopes that the Governments of the signatory States will speedily ratify these agreements and thus contribute towards achieving real progress in the economic situation of the world ;

“ 4. Trusts that the Conference of Official Statisticians convened for November 26th, 1928, and the conferences contemplated for 1929 in regard to the treatment of foreign nationals and the partial assimilation of legislation on bills of exchange, promissory notes and cheques will lead to valuable results ;

“ 5. Requests the Economic Committee to pursue its work with a view to framing a common doctrine in regard to commercial policy and preparing collective agreements to facilitate, by bringing into force a milder Customs regime drawn up in common, the movement of certain products which are of special importance or which lend themselves more particularly to treatment of this kind ;

“ 6. Follows with interest the investigations undertaken in regard to veterinary measures, approves their objective character and the desire to take into account the legitimate and occasionally conflicting preoccupations of countries which export and import cattle, and is confident that they will be pursued as rapidly as is consistent with the complexity of their character ;

“ 7. Expresses its confidence that the Economic Committee, to which the investigation of the problems relating to coal and sugar was submitted at the instance of the Consultative Committee, will carry through its work with all desirable energy, while not neglecting any of the interests involved, whether of producers or consumers, countries or persons, or of the working classes.”

A. II. I. 1928.

ANNEX 3.

WORK OF THE HEALTH ORGANISATION.

REPORT SUBMITTED BY PROFESSOR JOHN M. O'SULLIVAN (Irish Free State).

The work of the Health Organisation, its Committees and activities is characterised by the same principle of continuity that is found in the work of the League in general. Hence the present report is but a fragment with jagged ends, and must be read in conjunction with those of previous years. It looks back on the past and forward to the future.

As will be apparent from even a hasty reading of the various reports, the work of the Organisation is already quite extensive. Though at first there was some doubt of the wisdom of the League's developing along this line, now the demands made are such that there is no prospect of satisfying them all. For here, as elsewhere, a somewhat rigid limitation of effort is a condition of producing work of real value, and the Health Organisation has shown its wisdom in recognising this. Its success has been due, among other things, to the fact that its programmes have been carefully thought out and often even confined to one aspect of a big subject, to a sphere of investigation, comparatively small no doubt, but one in which, owing to its very circumscription, results might be expected in a reasonable time. Yet this wise self-restraint does not hinder the progressive extension of the field of investigation.

The various Conferences and sessions of Commissions which were held in the past twelve months were by no means instances of isolated activity; they represented successive stages in the logical solution of international health problems, the preliminary steps in connection with which had been taken at an earlier period in the life of the Health Organisation. Thus, at a Conference held at Frankfort in May, agreement was reached on a series of international standards which will serve as units of measure for the activity of sera and biological preparations, notably anti-diphtheritic, anti-tetanic and anti-dysenteric sera, and for the arseno-benzenes, insulin, pituitary extract, digitalis, etc. That these results were achieved is due to previous conferences and to long and minute researches in the principal institutes concerned.

This work on sera and vaccines is not a bad illustration of the Organisation's manner of working and attaining its ends.

It is a technical organisation of the League, remains international, and operates through existing national and international bodies. It stimulates, does not supersede them. There is no encroachment on the activities of the different national administrations and research institutions. Success has been achieved not by the assertion of any claim to be, as it were, a central authority on medical service or a Public Health Administration, exercising quasi-legislative powers, but by appealing to those who are responsible for the actual work in the different countries, getting them to co-operate and come to agreement, and by providing opportunity to public-health officers, for example, of availing themselves, if they are willing, of the pooled wisdom of their colleagues in other countries.

Persuasion is sometimes necessary, for though science may claim to know no national boundaries, we often find that in its application it is unduly hampered by differences of local idiosyncrasy, which cause much unnecessary waste. These difficulties may be overcome sometimes by goodwill, sometimes by active personal touch; but the goodwill has often awaited stimulation from the Health Organisation before it became effective, and this opportunity for collaboration has come more than once from the same quarter.

The increasing efficacy of the Organisation's activities is due to its success in bringing various institutions, and even individuals, into closer contact with one another and with the League. The reports show that every year witnesses new demands from the nations and offers of co-operation. It is natural to suppose that the condition of advancement in the future is that the Organisation should continue to be guided by this principle, which indeed is fundamental to the League.

The matters with which the Health Organisation deals are both international and worldwide. It binds together not merely countries but quarters of the globe. The link with the Far East

is furnished by the Eastern Bureau of the Health Organisation at Singapore. In addition, there has been this year an "interchange", or study-tour, of health officers in India. The Government of that country has invited the Malaria Commission to study the problem of malaria there—an invitation that the Health Committee, with the approval of the Council, has gladly accepted. Furthermore, two experts have been appointed to investigate the health conditions in certain islands in the Pacific, in accordance with the suggestion of the International Pacific Conference held in Melbourne in 1926—a suggestion considered and approved by the Assembly in 1927. As usual, a number of Far-Eastern public-health officers and experts, notably from Japan, have been given facilities by the Organisation to study Western methods for the prevention of disease and the protection of public health.

The Assembly at its last ordinary session noted with satisfaction the steps taken by the Health Organisation to extend its activities to various Latin-American countries and welcomed the practical suggestions for continued co-operation presented by the health authorities and experts of the Argentine, Brazil and Uruguay. During the last twelve months this collaboration has been actively pursued, and the important investigation on infant mortality being carried on in seven European countries is being pursued along similar lines by experts nominated by the Health Administrations in the Argentine, Brazil, Chile and Uruguay. The work on the two continents is co-ordinated by the Health Organisation at Geneva. The investigation in Europe is now completed, and in a year or so the results of the enquiry in the Latin-American countries will be available. It will thus be possible to utilise the experience acquired and compare the results of the measures employed to cope with infant mortality in various rural and urban districts of two widely separated parts of the globe.

A distinguished health expert from Uruguay has been sent to Europe by his Government to study under the auspices of the Health Organisation and of the International Labour Organisation the experience of some of the older countries in regard to the problems of medical assistance and social insurance. This fruitful collaboration with the Health authorities and experts of Latin America will, we hope, be amplified and extended to other countries of the New World in the near future.

I do not propose to describe in detail these or other activities of the Health Organisation. I shall merely catalogue a few of the more important activities which justify the statement that its work has extended to practically every country in the world and then refer for a moment to two other matters: the work of the Eastern Bureau at Singapore and the system of liaison with Public Health Administrations established by means of the collective and individual interchanges of public-health and medical officers.

A general conference on the prevention of malaria held at Geneva in June was attended by malariologists from all the countries having an important malaria problem. The principles and methods of malaria control were discussed in the light of reports prepared by the Malaria Commission of the Health Committee on the basis of its study-tours in the Old and New Worlds. A report was issued which is a consensus of the views of the most qualified malariologists, and as such will be invaluable to any Government faced with a malaria problem.

The only method of securing agreement among scientists is to undertake joint studies of the method or subject under discussion, and on a number of points on which the opinion of malariologists is still divided, on account of a lack of sufficient information, such common studies are being undertaken, the Health Organisation acting as the mechanism of co-ordination. In connection with malaria, mention must be made of the courses for the training of experts organised for the third successive year in London, Hamburg and Paris under the auspices of the Health Organisation. A fourth course was added this year in Rome, and the theoretical courses were followed by practical work in the Kingdom of the Serbs, Croats and Slovenes, Italy and Spain.

I have already mentioned the important work in connection with the standardisation of sera.

The Conference of Health Experts on Infant Welfare met in London in July, and was received hospitably by the Minister of Health and the Chief and Senior Medical Officers of his Ministry. Decisions were taken in regard to the preparation of the reports on the enquiries concluded in twenty-nine urban and rural districts of seven European countries—enquiries which have been described in detail in previous reports to the Assembly.

The Cancer Commission continued its work along lines already indicated in previous reports, special attention being paid to occupational cancer (with the collaboration of the International Labour Office), a form which appears to be more susceptible to preventive measures than other forms. The Commission is also studying the methods and results of the radiological treatment of cancer, which in certain cases has proved of so much value. These subjects were discussed at sessions held at Geneva in April, in London in July and at Paris in August.

The Smallpox and Vaccination Commission held two sessions at Geneva this year (April and August), and was able to reach conclusions on a number of important points. At the last session experts from many of the important vaccine establishments of the world were present

and proposals for co-ordinated studies will be presented to the Health Committee. In addition to the above, the Commissions on Opium, Education in Hygiene and Preventive Medicine, Leprosy and Fumigation of Ships met during the year and progress was made with the work of the Commission of Expert Statisticians and the Joint Commission for the Study of the Relationship between Health Services and Health Insurance Organisations.

Effective help is given to sanitary police organisation by the epidemiological information supplied by the Health Organisation in ever-increasing completeness, reliability and quickness. Information received, if sufficiently important, is cabled, broadcast by wireless, and mailed daily to the different Health Administrations.

The work of the Eastern Bureau at Singapore, so frequently praised by delegates to previous Assemblies, continues to develop satisfactorily, thanks to the support it receives from the Health Administrations of Governments in that area.

Having succeeded in the rapid collection and transmission of information concerning epidemic diseases from the majority of ports in its area, the Bureau is now being furnished with intelligence of the same character relating to the hinterland of ports and of countries as a whole. The Bureau communicates this information to the Health Authorities concerned by means of an increasingly efficient network of wireless placed at the disposal of the Bureau by the generosity of the Administrations of French Indo-China, Germany, the Netherlands East Indies, India, Japan, British North Borneo, Madagascar and Shanghai. The fact that this service is appreciated is evidenced by the action of the Governments concerned, which send delegates yearly to the Advisory Council, the majority of them contribute to the support of the Bureau, and place their wireless equipment at its disposal, in addition to supplying it with the accurate and immediate epidemic disease reports upon which depends its proper functioning. It is not too much to say that the work of the Eastern Bureau of the Health Organisation at Singapore furnishes to Health Administrations in that area the information needed to organise effective action against epidemic disease.

The Bureau also acts as a centre of co-ordination for the investigation of problems relating to plague and cholera, and, on the suggestion of the Advisory Council, is collecting detailed information in regard to the quarantine stations of the East.

One division of the work of the Eastern Bureau to which I would call your special attention is that relating to infected ships. In the first eleven months of 1927 the Bureau received and distributed information in regard to 162 vessels having on board persons suffering from epidemic diseases.

The reports the Bureau is able to make to Health Administrations are becoming more timely and complete, and therefore more useful, from month to month.

In recent years the Health Organisation has extended its efforts and investigations to the rather complicated questions of social and rural hygiene.

The "interchanges" or study-tours of public health and medical personnel which provide a system of liaison with the various Health Administrations have been commented on favourably from year to year by successive Assemblies, and I should like to call your special attention to the record of the past twelve months in this regard. Groups of public-health officers have studied the multiple aspects of hygiene and preventive medicine in Belgium, France, Germany, the Netherlands, Hungary, India and the Kingdom of the Serbs, Croats and Slovenes, and before the present Assembly closes an interchange will have begun in Italy. Two important results are attained by these interchanges: first, the promotion of collaboration between the various Health Administrations themselves as well as between them and the Health Organisation; and, second, the diffusion of information concerning public-health principles and practice, for something worthy of imitation will be found in the public-health work of every country.

This year for the first time an "interchange" restricted to the study of problems of rural hygiene was organised. As a representative of a State that is predominantly agricultural in character, I should like to pay a special tribute to the Health Organisation in this connection. The Health Administrations of the different countries concerned welcomed this innovation so warmly that this type of activity will probably be continued in the future. Typical rural areas in six countries of Central and Western Europe were visited by a group of twenty-two health officers and sanitary engineers from different countries. In each area a complete study was made of the system of public-health organisation and administration, and, in addition, opportunity was given to examine the work of all other organisations, whether governmental, semi-public or private, which exert any influence on the public health. For example, questions of public instruction were studied in the public schools, the activities of co-operative organisations were reviewed, schools of agriculture were visited, problems of medical education and assistance were discussed, so that every participant in the interchange was afforded an opportunity of studying rural hygiene as a whole in the light of information concerning every agency exerting any favourable influence. A detailed comparative study was possible of rural housing, water and milk supplies, sewage and its disposal, etc. At the final conference held in Geneva, nearly all the participants declared their intention of applying in their own districts some of the practices

or methods they had studied in other countries. A study tour such as this should serve to stimulate the development of rural hygiene by the interchange of ideas and suggestions, for which it furnishes a unique opportunity, and the accumulation of a mass of common knowledge in regard to principles which should govern the application of public health in general.

We should, I think, congratulate the Health Organisation on its study of rural hygiene, which is so important in nearly every country.

If the Health Organisation has been able to accomplish as much in this and other fields, it is due to the collaboration of the Health Administrations and experts of the various States within and without the League, for which the Health Organisation acts as a co-ordinating mechanism. If the work on standards, malaria, infant mortality, rural hygiene and all the other subjects mentioned in the reports submitted to the Assembly has been successful, it is due to the generosity and collaboration of the Governments concerned, which have spared no pains to ensure the success of this international work.

I do not make any comparison between the work which is the object of our deliberations to-day and the other, which some might consider the more obviously legitimate work of the League. But it is clear that here we have work in the accomplishment of which no national rivalries need be aroused—co-operation, not rivalry, is what is most natural—we have aims in the pursuit of which all can unite. Even from the point of view of international peace, is there not something to be gained by this? Working together for a common aim, without any of the *arrière-pensées* that may sometimes influence us in the political and economic spheres, may bring the nations closer together. There is also this factor to be borne in mind—the work that is here being accomplished is so obviously useful to humanity, to the different countries, that it is not likely to be met with the facile cynicism that sometimes meets the League in its other endeavours.

The solidity and utility of the work of the League in other spheres cannot be called in question by anyone who has a real appreciation of the present conditions of the world; but the work of this Organisation is perhaps more readily appreciated by the ordinary citizen, and well worthy of the continued support of the League.

I have the honour to propose the adoption of the following draft resolution:

“ The Second Committee :

“ Having taken note of the reports (document A.6.1928.III and A.6.(a).1928.III) dealing with the work of the Health Organisation of the League during the past year ;

“ Is gratified at these evidences of its increasing utility as an agency for the promotion of international collaboration in matters affecting the public health ;

“ Expresses its appreciation to all the Health Administrations of the various Governments which have generously collaborated with the Health Organisation in the different branches of its work ;

“ Records its gratitude for the services rendered by the members and experts of all the Commissions and Conferences of the Health Organisation ;

“ And approves the work accomplished by the Health Organisation since the eighth ordinary session of the Assembly.”

A. II. 3. 1928.

ANNEX 4.

WORK OF THE ORGANISATION FOR COMMUNICATIONS AND TRANSIT.

REPORT ON THE WORK OF THE ORGANISATION BETWEEN THE EIGHTH AND NINTH ORDINARY SESSIONS OF THE ASSEMBLY, SUBMITTED BY M. NAGAI (Japan).

The reports submitted by the Advisory and Technical Committee for Communications and Transit on the work of the Organisation between the eighth and ninth ordinary sessions of the Assembly show that during this period the Organisation has pursued the normal and progressive development of its work in the various spheres of its activity.

After the Third General Conference on Communications and Transit, the results of which were pronounced on by the last Assembly, the new Advisory and Technical Committee proceeded to reorganise the different special committees set up by it. The Assembly is aware that one of the characteristics of the methods employed by the Advisory and Technical Committee is the holding of regular meetings of specialists interested in the various problems of transport. The reorganisation in question made it possible to enlist assistance from a great variety of quarters, and to show that to an increasing degree the work of the Organisation for Communications and Transit concerns not only Europe but also the other continents. Thus the Permanent Committee for Transport by Rail now includes distinguished new members particularly well qualified to represent the development of railway transport on the American continent.

In the sphere of maritime navigation, where the work of the Transit Organisation is necessarily of this worldwide character, the study of the unification of tonnage measurement in maritime navigation and of the unification of buoyage and the lighting of coasts is being pursued with the help of a large number of technical experts. The purely technical work connected with maritime tonnage measurement has, for the moment, been concluded. The report of the competent technical sub-committee will soon be available for consideration by experts belonging to all the circles concerned. The work in connection with buoyage and the lighting of coasts already seems to have brought closer into line the views of the services concerned in continental Europe, and those of the corresponding services in North America. A study of the conditions and ideas peculiar to North America was carried out on the spot by a number of members of the Technical Committee who are heads of the services concerned in certain European countries, with the assistance of the technical authorities of the countries of North America.

Air navigation is another mode of transport which necessarily involves conceptions exceeding the limits of a single continent. Various organisations, among them the International Air Navigation Commission, placed under the authority of the League, and the International Technical Committee of Legal Experts for Air Navigation, have dealt continuously with various international problems affecting this kind of transport. The Third Conference on Communications and Transit noted, however, that it would be a great advantage to endeavour to ensure wider co-ordination of international activities connected with air navigation, in order to permit of the co-operation of the greatest possible number of countries throughout the world. At the same time the last Assembly referred to the Advisory and Technical Committee the question of the effect to be given to a resolution of the Preparatory Disarmament Commission, which, on the report of its Civil Aviation Committee, had asked that an enquiry should be undertaken into the means of facilitating co-operation between civil air-navigation undertakings in different countries. For these reasons the Advisory and Technical Committee decided to set up a committee to consider as a whole the problem of international organisation in air navigation, as raised by the above-mentioned resolution and by the discussions of the Third Transit Conference. It is greatly to be hoped that these new investigations will lead to an agreement which, without affecting the close relations already existing between different countries through the medium of the present organisations, will permit of the continuous co-operation of all the countries of the world which are particularly interested in air navigation and will result in the establishment, if possible, of at least a few principles of public international law in the sphere of air navigation and the interchange of the essential technical services.

The Assembly is aware that for some years past, in liaison with the River Commissions, the Advisory and Technical Committee has been endeavouring to draw up draft conventions for the unification of certain sections of river law. This question concerns Europe more particularly, although, if it appeared necessary, similar problems might be studied in regard to other continents; previously, the Transit Organisation succeeded on the same lines in drawing up a convention on the tonnage measurement of vessels employed in inland navigation, which met with complete success. The drafts for submission to a conference are now so far advanced that there is reason to believe that the Conference can be held in 1929 or 1930.

Since the last ordinary session of the Assembly, the Permanent Committee for Road Traffic has been able to make considerable progress in the question of the unification of road signals. A draft in this connection has been sent to all the Governments, a large number of which have declared themselves ready to adopt it or have even put it into force already. The observations received from other Governments only relate to certain points of detail. It thus appears practically certain that an important step will soon have been made in the work of unifying the codes of road signals, which is a matter of concern to so large a public. The Road-Traffic Committee also has a task of particular importance to perform, that relating to the international conditions of commercial motor transport. The recent development of heavy commercial motor traffic seems to make it necessary to draw up international rules, which, although they have been fixed for a long time past in regard to other modes of transport, are completely lacking in the case of motor transport. The freedom of communications mentioned in the Covenant applies to all modes of transport, and it is a matter for satisfaction that the Committee's organs have given their attention to the problem, which has now become of pressing importance, of the introduction of a kind of international jurisprudence of commercial motor transport.

While the Advisory or Technical Committee has thus continued its work in the various specialised branches of transport, it has not neglected one of its main tasks, that of considering the more general problem of co-ordination between different modes of transport, or of all transports whatever means they employ. In response to a request by the Third Conference of Communications and Transit, it has elaborated a procedure for the study of the obstacles which might hamper the freedom of transit, and has begun the examination of the question of the re-establishment of communications when the latter are affected by grave events of a general character. It will be sufficient to mention here the work done this year by the Organisation for Communications and Transit concerning communications affecting the League of Nations at times of emergency. This work affects extremely varied means of communication. The same applies to another kind of enquiry which the Advisory and Technical Committee has had to

undertake in consequence of the resolutions adopted by the Conference of Press Experts, the Council having asked it to examine those questions raised by this Conference which related to communications and transport. A Committee of experts belonging to telegraphic administrations has already met and has drafted, with the help of representatives of the Press and of the cable and wireless companies, a certain number of recommendations to which practical effect will probably be given at the next Conference of the Telegraphic Union. The problem of newspaper distribution is also being carefully examined with the help of the International Railway Union and the International Air Traffic Association; and the simplification of Customs formalities in connection with the carriage of newspapers will be dealt with by special meetings of experts. Necessitating as it does the same co-ordination between different means of transport, but in a much more general sphere, the delicate question of combined transport has been retained on the Committee's agenda, concrete proposals having already been put forward in regard to combined transport by rail and air. Since the other problems of combined transport raise difficulties of an economic or legal nature, they still require careful analysis.

In this connection, however, special mention should be made of a question which, in certain of its aspects, had already been examined previously by the Transit Committee, but which, by a decision of the last Conference, was taken up again by the Committee in more general terms, and in regard to which preliminary studies have already been made with important results, namely, the question of the unification of transport statistics. The Advisory and Technical Committee had already examined, in conjunction with the work done by the Navigation Congresses and by the Central Commission for Rhine Navigation, the problem of the unification of inland-navigation statistics, and had succeeded in drawing up a preliminary draft for a uniform nomenclature and for the distribution by districts of the statistical data collected by the various Governments; but it very rightly considered after the last Conference that it would be inadvisable to deal separately with the unification of statistics for one means of transport only; that in any case the problem of the unification of statistics should as far as possible be considered simultaneously and jointly for inland navigation and maritime navigation; and that it ought to be considered whether the conclusions reached in regard to navigation could not, when the time came, and if necessary with certain adjustments, be applied also to railway transport. The Committee for the Unification of Inland Navigation Statistics has been enlarged so as to make it competent for the unification of statistics in general. The initial conclusions in regard to inland navigation have already been revised in such a way that satisfactory proposals may shortly be expected applying to navigation as a whole, both inland and maritime. This work is necessarily being carried on in liaison with that of the Economic Organisation in regard to the unification of Customs nomenclature, and every effort will be made on both sides to provide for this essential co-ordination. The Assembly, at its last ordinary session, in associating itself with the resolutions of the Third Conference on Communications and Transit on the Transit Organisation's work concerning the collection and exchange of information on communications, indicated that it was for the Transit Organisation to facilitate, as far as might appear necessary, the collection and diffusion of statistical information concerning transport. The Assembly will no doubt desire the Organisations to be given the opportunity to pursue this work progressively according to the methods which it considers most suitable and in the light of the experience it has acquired in the practical study of the principal problems of transport.

No review of the Transit Organisation's work during this period would be complete without a reference to the progress achieved as a result of past activities which have already been brought to the Assembly's knowledge and which have aroused considerable interest in many countries. The question of the reform of the calendar deserves special mention. In conclusions with which the Assembly associated itself, the Advisory and Technical Committee asked that national committees for the reform of the calendar competent to study the report drawn up by the Committee and to outline the state of national opinion on this subject should be formed in as many countries as possible. The question to which this enquiry related was that of the general reform of the calendar, independently of the fixing of the date of Easter, regarding which more definite conclusions had already been adopted by the Transit Committee. Since the last ordinary session of the Assembly a strong current of opinion has made itself felt in certain countries in favour of a detailed study of this question of the reform of the calendar. Special attention has been given to it by commercial and industrial circles. National Committees are in process of formation. The national committee of the United States of America has already been formed and consists of highly representative persons.

It does not appear necessary to add any further observations and particulars concerning the varied aspects of the work of the Organisation for Communications and Transit. If the Committee will express its satisfaction with this work by associating itself with the few considerations and particulars which have been presented above, I should like to propose the following draft resolution for submission to the Assembly:

“ The Assembly, noting the report of the Advisory and Technical Committee for Communications and Transit on the work of the Organisation between the eighth and ninth ordinary sessions of the Assembly, expresses its satisfaction with the normal progress of the Organisation's work.”

A. II. 25. 1928.

ANNEX 5.

ORGANISATION FOR COMMUNICATIONS AND TRANSIT.

REGULATIONS ADOPTED BY THE VARIOUS STATES AS REGARDS PASSPORT VISAS.¹

During the discussions in the Second Committee, the Chief of the Transit Section promised to furnish the members of that Committee with certain details concerning passport visas. The following statement has therefore been prepared for circulation to the members of the Committee:

(Column B contains a list of the countries for whose nationals passport visas have been abolished by the country the name of which appears immediately opposite in column "A".)

A.	B.
<i>Africa, Union of South:</i>	Austria, Belgium, Denmark, France, Germany, Italy, Liechtenstein, Luxemburg, Netherlands, Norway, Sweden and Switzerland.
<i>Albania:</i>	Italy (subject to reciprocity).
<i>Australia:</i>	Austria, France, Germany, Italy, Liechtenstein, Norway, Sweden and Switzerland (subject to reciprocity).
<i>Austria:</i>	Czechoslovakia, Denmark, Finland, Germany, Great Britain, Latvia, Netherlands, Norway, Portugal and Sweden (subject to reciprocity). Cuba, certain visas only.
<i>Belgium:</i>	China, Cuba, Denmark, Great Britain, Iceland, Italy, Japan, Liechtenstein, Norway, Panama, Spain, Sweden, Switzerland, United States of America and Uruguay. Czechoslovakia and Finland (subject to reciprocity).
<i>Canada:</i>	All countries.
<i>China:</i>	Belgium and Japan (subject to reciprocity).
<i>Cuba:</i>	All countries.
<i>Czechoslovakia:</i>	Austria, Belgium, Finland and France (including Algeria and Morocco) (subject to reciprocity). Netherlands, certain visas only.
<i>Danzig:</i>	Austria.
<i>Denmark:</i>	Austria, Belgium, Finland, France (excluding Colonies and Protectorates), Great Britain (including Dominions, Colonies and Protectorates, with the exception of Gibraltar, India and Malta), Italy, Liechtenstein, Luxemburg, Netherlands, (excluding Colonies and Protectorates), Norway, Spain, Sweden, Switzerland, for people not in search of employment. Subject to reciprocity.
<i>Estonia:</i>	Finland, Italy and Latvia (subject to reciprocity). Netherlands, certain visas only.
<i>Finland:</i>	Austria, Belgium, Czechoslovakia, Denmark, Estonia, Germany, Japan, Latvia, Netherlands, and Sweden (subject to reciprocity).

¹ Diplomatic visas being subject to special agreements, they are not taken into consideration in the present statement.

A.	B.
<i>France:</i>	Australia, Brazil, Canada, Cuba, Czechoslovakia, Denmark, Dominican Republic, Ecuador, Great Britain, Honduras, Italy, Liechtenstein, Mexico, Netherlands, Newfoundland, Nicaragua, Norway, Paraguay, Salvador, Siam, Spain, South Africa, Sweden, Switzerland and Uruguay. Belgium and Luxemburg (subject to reciprocity).
<i>Germany:</i>	Austria, Finland, Great Britain, Latvia, and Norway (subject to reciprocity).
<i>Great Britain:</i>	Austria, Belgium, Denmark, France, Germany, Italy, Luxemburg, Netherlands, Norway, Portugal, Saar Basin, Spain, Sweden and Switzerland.
<i>Haiti:</i>	All countries.
<i>Irish Free State:</i>	Belgium, Denmark, France, Italy, Netherlands, Norway, Spain, Sweden and Switzerland (subject to reciprocity).
<i>Italy:</i>	Albania, Belgium, Cuba, Denmark, Estonia, France, Great Britain (including Dominions of Australia, Canada, Irish Free State, Newfoundland, New Zealand and South Africa), Japan, Latvia, Liechtenstein, Luxemburg, Mexico, Monaco, Netherlands, Norway, Salvador, Spain, Sweden and Switzerland (subject to reciprocity).
<i>Japan:</i>	Belgium, Finland, France (excluding colonies), Hong-Kong, Italy (excluding colonies), Liechtenstein, Netherlands (excluding colonies), Norway, Spain and Switzerland (subject to reciprocity).
<i>Latvia:</i>	Austria, Estonia, Finland, Germany and Italy (subject to reciprocity).
<i>Luxemburg:</i>	Belgium, Denmark, France, Great Britain, Iceland, Italy, Netherlands, Norway, Spain, Sweden, Switzerland and Uruguay (subject to reciprocity).
<i>Mexico:</i>	Netherlands.
<i>Netherlands:</i>	Bolivia, Costa Rica, Dominican Republic, Ecuador, Honduras and Peru. Austria, Belgium, Cuba, Denmark, Estonia, Finland, France, Germany, Great Britain, Haiti, Iceland, Italy, Japan, Luxemburg, Mexico, Nicaragua, Norway, Panama, Salvador, Spain, Sweden and Switzerland (subject to reciprocity).
<i>New Zealand:</i>	Austria, Belgium, Denmark, France, Germany, Italy, Liechtenstein, Luxemburg, Netherlands, Norway, Portugal, Spain, Sweden and Switzerland (subject to reciprocity).
<i>Nicaragua:</i>	Netherlands.
<i>Norway:</i>	Austria, Belgium, Denmark, France (excluding colonies and protectorates), Germany, Great Britain (including dominions, colonies and protectorates, except Gibraltar, Malta and India), Iceland, Italy, Japan, Liechtenstein, Luxemburg, Mexico, Netherlands, Portugal, Spain, Sweden, Switzerland and the United States of America (for citizens of the United States of America whose parents were Norwegians, Swedes, Danes and Icelanders).
<i>Panama:</i>	China, Netherlands, Syria and Turkey.
<i>Portugal:</i>	All countries (except France and Italy) (subject to reciprocity).

A.	B.
<i>Salvador:</i>	Netherlands.
<i>Siam:</i>	United States of America (for non-immigrants). France (including Algeria) (subject to reciprocity).
<i>Spain:</i>	Cuba, France, Great Britain (including Dominions), Japan, Norway, Portugal and Switzerland.
<i>Sweden:</i>	Austria, Belgium, Denmark, Finland, France, Great Britain, Iceland, Italy, Liechtenstein, Luxemburg, Netherlands, Norway, Spain and Switzerland (subject to reciprocity).
<i>Switzerland:</i>	All countries on the American continent, Andorra, Belgium, China, Denmark, Great Britain, Japan, Liechtenstein, Luxemburg, Monaco, Norway, Netherlands and Sweden. In the case of Austria, France, Germany and Italy, persons not in search of employment.
<i>Uruguay:</i>	All countries.

A. II. 6. 1928.

ANNEX 6.

GREEK REFUGEE SETTLEMENT AND GREEK STABILISATION LOAN.

REPORT SUBMITTED BY M. HELDRING (Netherlands).

The League's financial work for Greece falls under two heads:

1. Refugee settlement;
2. Financial stabilisation.

As regards the former, it is hard to imagine what would have happened in 1923 if Greece had not been able to obtain, through the League, the means of settling the mass of refugees just added to her population in numbers estimated at over one million souls, mostly hailing from Asia Minor. The magnitude of the work accomplished by the Refugee Settlement Commission, which had been mainly responsible for settling the refugees, is not generally realised. I should like to quote in this connection a few figures from the Commission's nineteenth report (document C.406.M.128.1928.II), which gives a very full account of the results achieved up to the present.

On agricultural and urban settlement the Commission has spent altogether, not including general expenses, a total of over nine million pounds sterling, of which nearly eight million went towards agricultural settlement and a little more than a million towards urban settlement. It has settled more than 143,000 families in the country, while 28,000 families are living in urban dwellings built by it. It has apportioned over 8,000,000 stremmas of land. As regards rural settlement, it has built more than 58,000 houses, and 4,000 more are still under construction. As regards urban settlement, the Commission has built almost 18,000 houses, and 3,000 more are now under construction or will soon be begun.

The impetus which the settlement of refugees has given to the general prosperity of the country is extraordinary. To take a few instances: the area under cultivation in all Greece increased from 1.4 million stremmas in 1923-24 to nearly 2.5 millions in 1926-27. The total wheat crop rose from an average of about 600,000 tons in the years 1922-24 to over 900,000 tons in the last two harvests. The output of tobacco has doubled, having risen from 25,000,000 kilogrammes in 1922 to an average of 60,000,000 kilogrammes in the last year or two. Half of this tobacco crop is the produce of refugee growers.

Another result of refugee settlement is that Greek Macedonia has now a far more homogeneous population than for centuries past.

Now, after four years of hard toil, the bulk of the work of settlement is finished. To quote the Commission's report: "The main part of the undertaking has been accomplished; the large majority of refugees are settled and at work, some being engaged in production and others in trade". Nevertheless, much still remains to be done, both for the urban population, whose

settlement is a problem not yet completely solved, and for the agricultural population, whose equipment could in some cases be supplemented so as to enable it to become self-supporting.

I am sure that the Assembly will desire to congratulate the Commission on the work accomplished, and to express the wish that the work that still lies before it will be carried out in the same satisfactory manner.

As regards financial stabilisation, the outstanding event has been the issue of the Stabilisation Loan.

The scheme of stabilisation was embodied in the Protocol signed on September 15th, 1927, in time to come before the eighth ordinary session of the Assembly. This Protocol provided for the issue of a loan of £9,000,000 sterling, of which one-third was to be applied to assisting the refugees, one-third to paying off the budget arrears and one-third to setting up the new bank of issue. Actually, the loan was issued for a net sum of £6,500,000 sterling only, as the Greek Government has concluded an arrangement with the State and Treasury Departments of the United States for raising a loan of £12,167,000 (approximately £2,500,000 sterling) repayable in twenty years and to be applied solely to refugee settlement. The United States Congress adjourned in May without ratifying this arrangement, which cannot therefore be approved until Congress next meets in December.

The loan, which produced a net amount of six and a-half million pounds sterling, was successfully floated in London and New York in January, 1928. The rate of interest was 6 per cent and the rate of issue 9½. This was an exceedingly good price for the Greek Government, and shows the financial advantages a Government obtains by the issue of a loan under the auspices of the League of Nations.

The new bank of issue, the Bank of Greece, opened in May, with a gold and foreign exchange reserve amounting to over 53 per cent of its note circulation. The drachma was legally stabilised at 375 drachmas to the pound. The Government's budget balances, though at a rather high level, so that, to assure the economic future of the country, drastic economy in public expenditure will have to be observed.

The financial stabilisation in Greece has been a great success and marks one more triumph to add to the remarkable achievements of the Financial Committee in Austria, Hungary and other countries.

I propose that the following resolution be submitted to the Assembly :

“ The Assembly :

“ Congratulates the Refugee Settlement Commission on the excellent results so far obtained, and trusts that the work which remains to be done may be carried out in the same satisfactory manner ;

“ Expresses its satisfaction at the success of financial stabilisation in Greece and the work of the Financial Committee in this connection.”

A. II. 5. 1928.

ANNEX 7.

WORK OF THE FINANCIAL COMMITTEE.

REPORT SUBMITTED BY M. SUVICH (Italy).

The Second Committee has received separate reports on the two subjects to which the Financial Committee has devoted the greater part of its attention during the past year, namely, the establishment of refugees in Greece and Bulgaria, and the financial stabilisation of these two countries. Another question to which the Financial Committee has given a good deal of attention is that of financial assistance in case of war or threat of war ; this question is, however, being dealt with by the Third Committee of the Assembly.

I propose to give a brief summary of the other activities of the Committee since the last Assembly.

1. *Greco-Bulgarian Emigration.*—In the month of September 1927, the Council had requested the Financial Committee, if necessary, to give advice to the President of the Mixed Commission for Greco-Bulgarian emigration on the subject of the settlement of the financial obligations incurred by the Bulgarian and Greek Governments through the emigration. In December, the Financial Committee helped the two Governments to draft an Agreement which was approved by the Council and signed by these Governments. This Agreement lays down the procedure for the award of compensation by each Government to the exchanged populations for the property abandoned by them, and it also contains provisions for the settlement of the debts incumbent on each Government in that respect. The Agreement was ratified by Bulgaria in April, but it has not yet been ratified by Greece. The Council will deal with this question in the course of the present month.

2. *Financial Restoration of Portugal.*—At the request of the Portuguese Government, the Council in December 1927 asked the Financial Committee and the Secretariat to study the financial situation of Portugal. A delegation from the Committee and the Secretariat went to Lisbon to investigate the situation, and at the March session the Financial Committee endeavoured to prepare, in agreement with the Portuguese Government, a programme of restoration including the flotation of a loan under the auspices of the League of Nations. It was not possible in the course of that session to complete the preparation of the plan and, for the reasons given in the letter from the Portuguese Government dated June 5th, 1928, and quoted in the General Supplementary Report to the Assembly (document A.6(a) 1928, page 47) the plan has not since been carried further.

3. *Purchasing Power of Gold.*—The Council invited the Financial Committee to examine to what extent and by what means the League could most usefully assist in the study and solution of the problem of undue fluctuations in the purchasing power of gold.

At the session of September 1928 the Committee held a first exchange of views as to the best method of arranging for a study of the various questions involved, and requested the Secretariat to compile certain information which, in its opinion, will be a useful basis for such further study.

4. *Various.*—At its quarterly sessions the Committee examined various questions of lesser importance in regard to the loans to the municipality and to the State of Danzig, the utilisation of the balances of the Austrian and Hungarian Loans, banking and monetary reform in Estonia, etc.

This list does not, however, give a true measure of the work of the Financial Committee; for the chief importance of the quarterly meetings of the Committee is perhaps to be sought for in the close contact between the members of the Committee and the leaders of financial policy in many countries. These periodical exchanges of opinion have proved to be of great value.

I beg to propose the following resolution:

“The Assembly takes note of and expresses its satisfaction with the work of the Financial Committee.”

A. II. 21. 1928.

ANNEX 8.

QUESTION OF ALCOHOLISM.

REPORT SUBMITTED BY M. DE PORTO-SEGURO (Chile).

Since 1926, the Finnish, Polish and Swedish delegations have recommended that the question of alcoholism should be included in the League's programme of work. Owing to its complexity, this problem was referred for enquiry to the eighth ordinary session of the Assembly in 1927.

Following on a detailed discussion in the Second Committee in 1927, the Finnish, Polish and Swedish delegations withdrew the detailed proposal which they had submitted previously, and which had not been received with entire approbation by all delegations. The Assembly, at its eighth ordinary session, decided to include in the agenda of its ninth ordinary session a new proposal to the effect that the work of the League on the subject of alcoholism should be co-ordinated.

In a spirit of conciliation and international concord, the delegations to which this delicate question is of particular interest have reached a unanimous agreement as a result of active negotiations, in which account has been taken of all the factors of the problem and of all interests, moral and material.

On behalf of the Second Committee, I have the honour to propose to the Assembly the adoption of the following resolution:

“The Assembly:

“Having had a draft resolution on the subject of alcoholism submitted to it by the Finnish, Swedish and Polish delegations;

“Decides to request the Health Organisation of the League of Nations to collect full statistical information regarding alcoholism, considered as a consequence of the abuse of alcohol, giving prominence, *inter alia*, according to the data available, to the deleterious effects of the bad quality of the alcohols consumed;

“And considering that, while it is for the Governments to put a stop to the contraband trade carried on in violation of the conventions in force between them, it may nevertheless be useful to examine the terms in which such conventions or agreements might be drawn up, for the prevention of smuggling in general and that of alcohol in particular;

“Decides to ask the Economic Committee to carry out this investigation and to submit any proposals to the Council arising out of its conclusions.

“It is understood that this resolution does not refer to wine, beer or cider.”

ANNEX 9.

RELATIONS BETWEEN THE LEAGUE OF NATIONS AND THE INSTITUTES OR BODIES SET UP UNDER ITS AUTHORITY.

REPORT SUBMITTED BY THE CHINESE REPRESENTATIVE, ADOPTED BY THE COUNCIL ON JUNE 7TH, 1928.

At its fiftieth session, on June 7th, 1928, the Council of the League of Nations adopted the following report submitted by the Chinese representative, and decided to forward it to the Assembly in accordance with the latter's resolution of September 26th, 1927.

" The following report of the Second Committee was adopted by the Assembly of the League of Nations in September 1927 :

" The Second Committee has made a preliminary examination of the draft resolution presented by the Hon. Mrs. Alfred Lyttelton with regard to institutes or bodies set up under the authority of the League of Nations (document A.94.1927).¹

" It has noted the great importance of this question and proposes that the Assembly should invite the Council to have this question studied and to ask that a report on this subject should be submitted to the Assembly at its ninth ordinary session in 1928.

" The questions to be considered are, first, the application of the general principles to be followed in placing international bureaux under the League's authority—that is, the application of Article 24 of the Covenant—and, secondly, the general rules which might in the future govern the acceptance of international institutes by the League.

" I. The Assembly resolution seems to apply only to international institutes. Accordingly, co-operation between the League organs and national institutions—which may in certain cases form the subject of special agreements—should not be included in the general study and the procedure to be followed in these cases should be left quite undefined and contingent on the requirements of each particular case.

" II. *Application of Article 24 of the Covenant.*

" This article provides that ' there shall be placed under the direction of the League all international bureaux already established by general treaties if the parties to such treaties consent. All such international bureaux and all commissions for the regulation of matters of international interest hereafter constituted shall be placed under the direction of the League '.

" At its meeting on June 27th, 1921, the Council approved a report by M. Hanotaux concerning ' the general principles to be observed in placing the international bureaux under the authority of the League of Nations. ' ² The main object of this report was to establish, in response to the requirements of the hour, certain rules for the practical application of Article 24. The report did not deal, however, with the establishment by the League organs of definite rules by which Members of the League might enforce that article.

" The article may apply to a vast number of different cases, so that it would be inexpedient to make its application subject to the observance of too rigid rules. The general principles which should govern the relations contemplated in this article between the League and certain international institutions and, similarly, the procedure for the establishment of such relations and their acceptance by the League might, however, be usefully defined as follows :

" (a) Article 24 employs the word ' direction ' (French : *autorité*) to denote the relations between the League and a large number of international institutions. Despite the use of so strong a term, the authors of the Covenant, it should be stated, had no intention of bringing such a variety of international institutions indirectly within the framework of the League or of encroaching upon their internal autonomy or statutory provisions in regard to their headquarters, etc. They did, however, desire to make the League a centre of co-ordination for the work of the various international institutions. Hence, the League's authority might be defined as the exercise by the League of a general mission in regard to the examination and co-ordination of the various manifestations of international life. On this hypothesis, the League should see that the organisation in question always preserves a strictly international character and that its work is carried on in an efficient manner. The necessity of avoiding overlapping must also be borne in mind.

¹ Text of the draft resolution :

" The Assembly considers that the moment has arrived when the general questions 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. "

² See Minutes of the Thirteenth Session of the Council, pp. 54 and 249 *et seq.*

“ To this intent, and without prejudice to the provisions applicable in special cases, it may be said that the exercise of authority by the League implies, firstly, that the League organs shall be fully informed as to the work of the institutions covered by Article 24 of the Covenant ; secondly, with due reference to the precedents already established, that it shall be able to call upon those institutions whenever their services may be of technical value from the standpoint of the League’s general work, and, lastly, that the League’s competent organs shall, if they think fit, be able to reach any decision in pursuance of this mission concerning general examination and co-ordination.

” In practice, it is essential :

“ 1. That the Secretary-General of the League should be entitled to receive publications and official documents exchanged between these institutions and the States represented on them, the nature and amount of the documents required being defined by the Secretary-General ;

“ 2. That the Secretary-General or his delegate should be entitled to be present in an advisory capacity at all meetings of these institutions or meetings organised by them ;

“ 3. That these institutions should, on request, give the Council or the Assembly or the League’s technical organisations opinions coming within their special competence ;

“ 4. That an annual report on the work of each of these institutions should be sent to the Secretary-General for circulation to the Council, the Members of the League and the technical organisations concerned, that they may have an opportunity of examining it in the light of the principles set forth above.

“ (b) The procedure for the establishment of the direction thus contemplated raises somewhat more complex questions. The institutions covered by Article 24 fall into three categories, namely : (1) International bureaux established by collective treaties before the entry into force of the Covenant ; (2) international bureaux established by collective treaties since its entry into force, or which may in future be so established ; (3) lastly, all Commissions for the settlement of questions of international interest created since the entry into force of the Covenant, or which may in future be created. Hence the institutions in question must be official and not private institutions. The Council has, moreover, already expressed itself to this effect.¹

“ One principle would appear to be common to all these cases. The ‘ direction ’ of the League must be established by a definite legal act, admitting of no future doubt. According to existing precedents, it would be for the Council to pass a resolution, when the conditions laid down in Article 24 are fulfilled, declaring that this or that institution is henceforth placed under the League’s direction. In order that the Council may adequately perform this task, all questions connected with the application of Article 24 would have to be regularly submitted to it.

“ A Council resolution to this effect seems particularly necessary, since in many cases it will have to be considered whether the conditions for the application of Article 24 have actually been fulfilled. As regards bureaux established by collective treaties, whether before or since the entry into force of the Covenant, the question may sometimes arise as to whether these treaties, although collective in form, can, in view of their object and the number of States contracting parties to them, be regarded as such. Similarly, the establishment under the League’s direction of Commissions for the settlement of questions of international interest may, in specific cases, involve discretionary questions as to the international interest of the matters actually dealt with by them, questions which can only be determined by reference to the objects of the Commissions, and, subsidiarily, the number of States participating. Furthermore, the probable duration of the specific institution—whether or not permanent—might influence the decision.

“ In these and other similar cases, it will be for the Council to examine the situation before deciding upon the attitude to be adopted.

“ III. *Principles which might govern the Acceptance of International Institutes by the League of Nations.*

“ Apart from the international bodies placed under the direction of the League of Nations in virtue of Article 24 of the Covenant to which reference has been made above, offers have been received by the League from individual Governments to place at its disposal international institutes

¹ See Minutes, twenty-fifth session of the Council, pp. 858 and 951.

“ (d) *Article 24 of the Covenant :*

“ 1. The Council :

“ While emphasising the value which it sets on the collaboration of unofficial organisations in the study of special questions, and on its freedom to solicit the opinions of these organisations, without prejudicing their autonomy,

“ Is, however, of the opinion :

“ (1) That it is not desirable to risk diminishing the activity of these voluntary international organisations, the number of which is fortunately increasing, by even the appearance of an official supervision ;

“ (2) That Article 24 of the Covenant refers solely to international bureaux which have been actually established by general conventions.

“ Considers”

connected with some of its work. The institutes which have been already thus accepted are naturally governed by the agreements reached between the League of Nations and the Governments concerned. This report therefore only refers to institutes which may be created subsequently.

" In establishing the principles which should in future govern the acceptance of such institutes by the League, it would seem that the following three points should be taken into consideration : the object, the legal status of the institute, and its relations with the League. Taking into account the experience of the last few years, in connection with the creation of the International Institutes of Intellectual Co-operation, for the Unification of Private Law, and for the Educational Cinematograph, it might be possible to adopt the following principles, which appear likely to afford the guarantees required by the Assembly resolution :

" (a) The object of the Institute must come within the sphere of activity of the League of Nations, the Institute serving as a working instrument. To achieve the object in view, a certain degree of international co-operation must be required.

" The adoption of the principle suggested at the beginning of this clause must obviously have a restrictive effect on offers of institutes to the League, but this restriction appears to be not only in keeping with the intention of the Assembly resolution but even desirable in itself, in that it affords a definite solution of the question and precludes all danger of ambiguity. It is also in keeping with the principles laid down on the occasion of the foundation of the International Institute of Intellectual Co-operation and the Institute of the Educational Cinematograph. Its adoption would have the effect in future of preventing the acceptance of an institute whose purpose is not covered by the work of the League, but it would still be possible to establish a system of co-operation between the League and an Institute of this kind.

" (b) Legal status : The legal status of the Institute should provide for its independence *vis-à-vis* the local authorities. Furthermore, it is desirable that institutes should be constituted as autonomous entities possessing civil personality under the laws of the country in which their headquarters are situated. Such a provision would be of value from the standpoint of the Institute's financial working.

" (c) Relations with the League of Nations : The constitution of the Institute should be such that the League organs (Assembly, Council, technical advisory organs) should be able to exercise supervision over its work. Provision should be made for a Governing Body including, in their personal capacity, a number of persons also members of that League advisory organ which is specially competent in the matter.¹

" It might be expedient, further, to provide that official communications between the Institute and Governments shall be through the Secretary-General of the League of Nations.

" Even if the above conditions are fulfilled, it is, of course, still the duty of the organs of the League to consider, in each separate case, the advisability of the League's accepting an offer for the creation of an Institute."

A. II. 8. 1928.

ANNEX 10.

RELATIONS BETWEEN THE LEAGUE OF NATIONS AND INSTITUTES OR BODIES SET UP UNDER ITS AUTHORITY.

REPORT SUBMITTED BY DR. RUDOLF BREITSCHIED (Germany).

The Second Committee has considered the questions connected with the relations between the League and the institutes and bodies set up under its authority.

¹ This is the principle embodied in Articles II, V, VI, IX and X of the Internal Regulations of the International Institute of Intellectual Co-operation. These articles are as follows :

" Article II. — The Institute is placed at the disposal of the League of Nations for the use of the Committee on Intellectual Co-operation as the working instrument of this Committee.

" It shall act as a liaison and information centre for everything which concerns international intellectual relations.

" Article V. — The Institute shall be directed : (a) by a Governing Body composed of the members of the Committee on Intellectual Co-operation in office at the time and presided over by a French member of this Committee ; (b) by the Committee of Directors appointed by the Governing Body with the approval of the Council of the League of Nations.

" Article VI. — The Governing Body shall draw up the budget of the Institute and determine its programme of work. It shall approve the report of the Committee of Directors. It shall make the report provided for in Article XIV of the Organic Statute.

" It shall appoint the Committee of Directors, the Director-General and, in consultation with the Director-General, the chiefs of sections and of services. It shall approve the appointments made by the Committee of Directors.

" Article IX. — The Committee of Directors shall meet every two months at the seat of the Institute, except in August and September. It may also be convened at any time by the Governing Body. In cases of urgency the Committee of Directors shall be convened by its Chairman on the proposal, accompanied by a statement of reasons, of the Director-General of the Institute or at the request of two of its members.

" Article X. — Each year the Governing Body shall fix the general programme whose application is to be supervised by the Committee of Directors. It shall confer the necessary powers on the Committee of Directors for this purpose.

" The Committee of Directors shall make such proposals to the Governing Body and shall take such steps within the limits of its powers as it may deem useful to the work of the Institute.

" The Committee of Directors shall, after hearing the Director-General, appoint the assistants and officials other than those whose appointment is in the hands of the Governing Body of the Director-General (in conformity with Article 7 of the Organic Statute)."

The Committee noted with satisfaction that the Council, at its meeting on June 7th, 1928, approved a report submitted by the Chinese representative, defining in precise terms what should be the nature of the relations between the League and the institutes and bodies set up under its authority. The Committee is of opinion that the Assembly may congratulate the Council on having thus cleared up in a satisfactory manner a question which, in the development of international life, has come to play an increasingly important part in the accomplishment of the League's work.

The report adopted by the Council treats exhaustively of both aspects of the question. It deals first with the application of the general principles to be followed in placing international bureaux under the League's authority—that is, with the application of Article 24 of the Covenant—and, secondly, with the general rules which might in the future govern the acceptance of international institutes by the League.

The Committee considers it superfluous to summarise in its report to the Assembly the principles laid down in the first part of the Council's report, on the application of Article 24 of the Covenant. They are set forth in great detail, and any abbreviation might distort the meaning of the original text, which all the Members of the Assembly have before them. The Committee desires, however, to state that it is in full agreement with the principles indicated by the Council for the application of the article in question. These principles provide a solid foundation for fruitful co-operation between the League and the international bureaux, as contemplated in the Covenant. While retaining their constitutional autonomy, these bodies would function more or less as extensions of the League itself within limited specialised fields. It would be for the League to see that these organisations preserved their international character and that their work was carried on efficiently and did not overlap the work of other institutions. If conceived and carried through on these lines, the placing of an international bureau under the authority of the League can do nothing but good to both parties.

The second part of the report aims at defining the rules which might govern in future the acceptance of international institutes offered to the League of Nations. The Assembly will recall the generous offer made by the French and Italian Governments, which have led to the creation of the Institute of Intellectual Co-operation, the Institute for the Unification of Private Law and the Educational Cinematographic Institute. It is probable that further similar offers will be made to the League with the object of providing for the accomplishment of other work of general concern through international co-operation.

It has therefore been thought desirable to establish here and now certain general rules which would apply in such contingencies. The rules proposed to us by the Council are based upon a fundamental principle :

“ The object of the institute must come within the sphere of activity of the League of Nations, the institute serving as a working instrument.”

The Council's report continues :

“ The adoption of the principle suggested at the beginning of this clause must obviously have a restrictive effect on offers of the institutes to the League, but this restriction appears to be not only in keeping with the intention of the Assembly resolution but even desirable in itself, in that it affords a definite solution of the question and precludes all danger of ambiguity.”

The Second Committee cannot but adopt these views. Like the Council, it is particularly anxious that any institute that may be established should be attached to an advisory technical League organisation—this being fully justified by analogy with the procedure adopted by the League for all technical activities. Moreover, it is supported by all the available precedents, as may be seen from the statutes and regulations of the three institutes of this kind already in existence.

In view of the foregoing observations, the Second Committee feels justified in proposing the following resolution :

“ The Assembly :

“ Having taken note of the report adopted by the Council on the question of the relations between the League of Nations and institutes or bodies set up under its authority ;

“ Approves the rules embodied in that report for the application of Article 24 of the Covenant and for the acceptance of international institutes offered to the League by Governments.”

ANNEX II.

BULGARIAN REFUGEE SETTLEMENT AND BULGARIAN STABILISATION LOAN.

REPORT SUBMITTED BY Mr. ROY (Canada).

I. *Bulgarian Refugee Settlement.*

Thanks to a loan of £2,250,000 issued under the auspices of the League of Nations in the winter of 1926, the plan for the settlement of Bulgarian refugees has now been in operation for two years.

We may say without hesitation that the results achieved during these two years are highly satisfactory, and the experience that has been gained justifies the hope that this admirable humanitarian work, which is, moreover, such an important contribution to the pacification of the Balkans, will be brought to a successful conclusion under the conditions contemplated in the Protocol signed at Geneva in September 1926.

At the outset there were grave difficulties, particularly in procuring land for the refugees. Such difficulties were probably unavoidable in a country where the land survey is extremely defective and titles to land are often disputed; your Rapporteur last year alluded to this position. The League of Nations Commissioner thinks, however—and M. S. Sarafov, Director-General of Refugee Settlement, agrees—that, at the present rate of progress, approximately 90 per cent of the refugees will have been furnished with land by the end of this year. That means that these refugees will have been finally given the plots of land on which they are to settle, and that their title can never more be disputed, for they will be in possession of plans and title-deeds establishing their rights.

The remaining families—between 3,000 and 4,000, if we hold to the total number of families to be settled (33,000) as originally specified in the settlement plan—will be established on lands reclaimed for cultivation by marsh drainage and flood-protection works.

It is obvious enough that the distribution of land forms the essential basis of the settlement, and must precede other forms of assistance, such as the erection of houses and the provision of equipment, cattle, etc.

The League Commissioner states in his eighth report, dated August 1st, that more than 2,000 houses have already been, or will shortly be, completed, and that large quantities of equipment and draught animals have been distributed.

In his quarterly reports, the League Commissioner rightly devotes a section to health, making special reference to the malaria campaign which he has undertaken with the help of the Bulgarian health authorities.

In December 1926, the Council was seriously alarmed by the risks attendant upon the settlement of refugees in those parts of Bulgaria where malaria was specially prevalent. The information given by the Commissioner in his last report, and the figures he supplies, are most reassuring. He states that:

“ Not the least valuable result is the disappearance of the fear, at first very widespread among refugees, of being established in areas which they regarded as hardly fit to live in owing to the acute prevalence of malaria. This fear has now given way to increasing confidence in the methods of palliating, if not completely eradicating, the disease.”

The progress that has been made is due to the methods suggested by the experts whom the Health Section has on several occasions sent to Bulgaria. Here we have a valuable example of the results of co-operation between technical organs of the League.

Another factor, the importance of which cannot be too greatly emphasised, is the assistance given by the Rockefeller Foundation in this field. This admirable institution, which has already in several fields earned the League's gratitude, has this year set up an anti-malaria demonstration centre in Bulgaria. As you are aware, it has acquired considerable experience in this direction through its untiring activity in various countries, and we may be sure that its aid in the work already undertaken will be of inestimable value.

The League Commissioner, M. Charron, has given the Second Committee a very vivid and detailed description of his work. Considerable difficulties have yet to be overcome, some of them inherent in the nature of the work and some arising out of local circumstances; but it has given us great satisfaction to hear that co-operation on the part of the Bulgarian authorities has always been forthcoming. M. Charron has described to us in very striking terms the state of mind of these thousands of families who have been in Bulgaria for years and have never been able to settle down in permanent homes. This work of international co-operation has given them the longed-for plot of ground, the house, and the means of earning a living. Bitterness and regret have given place to happiness and confidence in the future.

Hearing the statement made by M. Charron, the League's Commissioner, and reading his reports, the Committee has realised to how great an extent the success and the lasting character

of the work accomplished are due to our Commissioner and to M. Sarafov, Head of the Bulgarian Refugee Settlement Department, and to their staff. I should like to express in this report our high appreciation of the ability and devotion with which they have carried on their work during the year that has elapsed since our last session.

II. *Stabilisation Scheme.*

It is interesting to know that in the case of Bulgaria as in the case of Greece, the Government, having sought the help of League Organisations in attacking a special problem such as that of refugees, has gone on from this to seek further collaboration for a wider scheme of financial reconstruction and currency stabilisation. The details of the scheme for Bulgaria are described in the annual report to the Assembly. It follows in the main the principles applied successfully in previous schemes. The provisions made include the liquidation of budget arrears from past years, the reduction of the State debt to the National Bank in order to make possible the stabilisation of the currency, the reorganisation of the National Bank and the nomination of a technical adviser by the Council of the League of Nations, and the construction of certain roads and railways on a carefully prepared plan by the Bulgarian Government with the assistance of an expert recommended by the Transit Organisation of the League. A part of the loan is also devoted to strengthen the position of the Agricultural Bank and of the Central Co-operative Bank. The most interesting point in the scheme has been the provision regarding the Bank of issue, which is at present a State Bank. This matter gave rise to some difficulties at one time, but arrangements have now been made whereby the transformation of the Bank into a share company shall be effected not less than two years before the departure of a technical adviser to the National Bank who is to be appointed by the Council of the League of Nations.

The amount required for all these purposes is 4.5 million sterling, allocated as follows :

National Bank	£1,500,000
Agricultural Bank	500,000
Central Co-operative Bank	150,000
Budget arrears	1,100,000
Roads and railways	1,250,000
TOTAL	<u>£4,500,000</u>

The service of the loan is secured upon the Customs which have been freed for this purpose to the extent required from prior treaty charges (reparations, etc.). If the assigned revenues fall below 150 per cent of the annual sum required, further revenues shall be called for. Trustees are to be appointed by the Council of the League.

The whole scheme has been approved by the Council, embodied in a Protocol and signed by the Bulgarian Government, and it is to be expected that the loan will shortly be issued. Since the annual reports to the Assembly were issued, a meeting of the Financial Committee has been held which recommended the Council to increase the above amount to £5 million sterling, the additional sum to be employed in connection with the earthquakes which ravaged parts of Bulgaria during the spring of 1928.

The preparation of the present scheme has been the main achievement of the Financial Committee during the past year, and the Committee and the Bulgarian Government are to be congratulated on having made one more valuable contribution to the progressive financial and economic stabilisation of Europe, with all its important consequences in promoting a sense of political security and pacification.

III. *Conclusion: Resolution by the Assembly.*

I have the honour to propose that the Committee should recommend the following resolution to the Assembly :

“ The Assembly :

“ (a) Notes with satisfaction the progress during the past year of the refugee work under the able direction of the Commissioner of the League and the Bulgarian authorities, to whom it expresses its appreciation of their work. The progress thus made confirms the Assembly's appreciation of the social and political importance of this work ;

“ (b) Takes note of the stabilisation scheme involving the issue of a loan of £5 million sterling to be devoted to the repayment of the State debt to the National Bank in connection with the stabilisation of the currency, the liquidation of budget arrears, the construction of certain roads and railways, and work in connection with the damage caused by the earthquakes which ravaged parts of Bulgaria during the spring of 1928 ;

“ (c) Congratulates the Financial Committee and the Bulgarian Government for having, in the preparation of this scheme, made one more valuable contribution to the progressive financial and economic stabilisation of Europe, and expresses the hope that the issue of the loan necessary for the execution of the scheme may meet with complete success.”

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Conf. = Conference. Int. = International.

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